

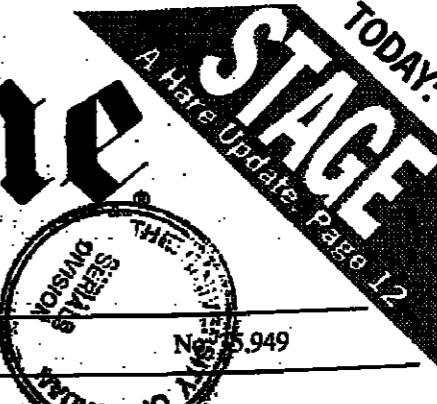
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Anwar, Defiant, Denies Guilt At Hearing

After 9 Days in Jail, Malaysia's Former No. 2 Has Marks of a Beating

By Keith Richburg
Washington Post Service

KUALA LUMPUR — A badly bruised Anwar Ibrahim, the ousted deputy prime minister and finance minister who has become a focal point for political dissent, appeared Tuesday in court after nine days in detention, defiant but showing the visible marks of a severe police beating.

He pleaded not guilty to nine charges of corruption and sexual misconduct, even as the government's case against him showed signs of unraveling.

Mr. Anwar was taken back to prison immediately after the hearing, during which the charges against him were formally read out. To each count, including four charges that he had engaged in sodomy, Mr. Anwar — his left eye blackened and his arm badly bruised — replied: "Not guilty, I claim trial."

No bail was set, and prosecutors said an additional sodomy charge would be lodged Wednesday in a different court.

No sooner were the charges against Mr. Anwar read than the government's case against him began to collapse. Two of the men Mr. Anwar is charged with having sex with — both of whom confessed and who received six-month jail terms — retracted their confessions Tuesday and appealed their convictions. Their lawyer said their confessions "were not voluntary."

The evidence of Mr. Anwar's mistreatment in police custody — including the black eye that has impaired his vision and affected his balance — will be likely to raise further the political tempest here, several analysts said.

The day's events now directly challenge the credibility of Prime Minister Mahathir bin Mohamad, who is also the home affairs minister and ultimately responsible for the treatment of a high-profile prisoner like Mr. Anwar. Mr. Mahathir had assured reporters that his former deputy was being well treated and that the case against him would be proven in court.

Since Mr. Anwar's firing on Sept. 2, Malaysia, once considered among the most stable countries in the region, has been rocked by an anti-government protest movement demanding political reform and an end to Mr. Mahathir's 17-year autocratic rule.

For Mr. Mahathir to end the growing unrest, analysts said it was critical for the government to present quickly a credible case against Mr. Anwar that would justify his removal, and to hold a judicial proceeding that would at least have the appearance of fairness.

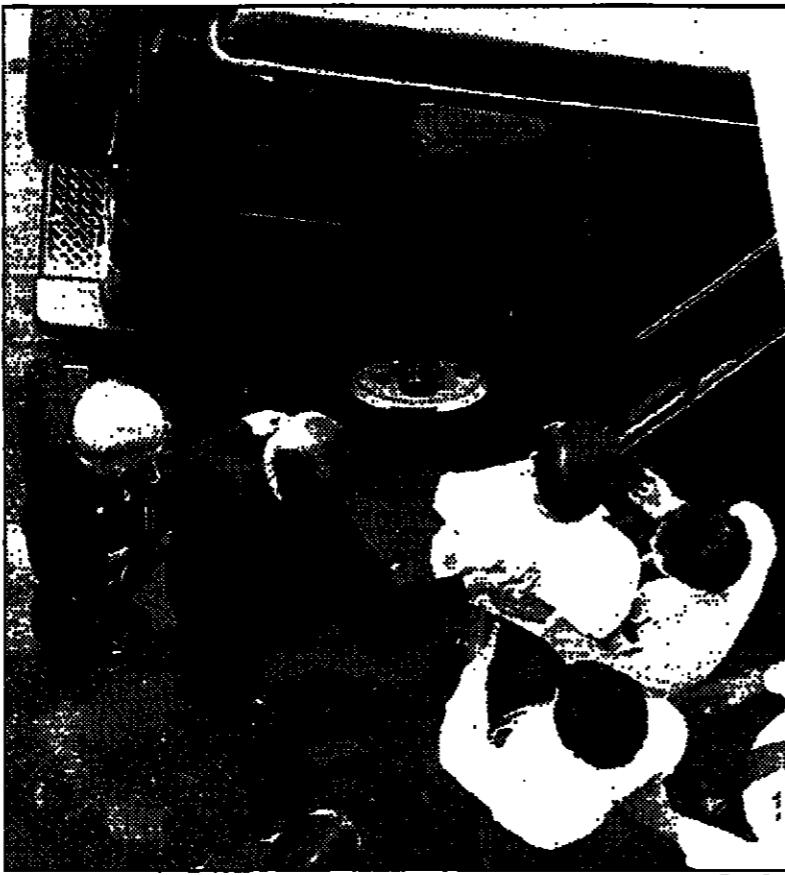
But Tuesday, the case against Mr. Anwar seemed to be degenerating into farce.

"This is ridiculous," said a longtime Anwar associate. He said some of the charges read out in court were vague, or lacking specific dates, suggesting that the case was prepared in a hurry to placate the crowds on the streets. Some earlier allegations that Mr. Mahathir had leveled at his deputy, involving sex with female prostitutes, were not mentioned in the court charges.

"They had to charge him," the Anwar associate said, "the momentum was growing. And the international pressure was growing. Mahathir was becoming a pariah in the world." He added, "Breaking up a former deputy prime minister is not exactly what we think of as the Malaysian way of doing things."

But whether people react with more or larger street protests, he said, "depends on how it is reported locally. They might not even report that he was beaten."

"I don't think people are shocked by



Anwar Ibrahim, the jailed Malaysian deputy prime minister, being ushered into a police vehicle Tuesday after his court appearance.

G-7 Spars Over Reshaping of Financial System

By Alan Friedman
International Herald Tribune

WASHINGTON — With just days to go before the start of the annual meetings of the World Bank and International Monetary Fund, the world's leading industrial powers have reached conflicting conclusions over how to reshape the international financial system to cope more effectively with the strains imposed by the global economic crisis.

Against a backdrop of growing pessimism about global economic prospects, international financial officials in Washington are predicting that the wealthy Group of Seven nations will make bold statements but are unlikely to agree on any defin-

itive course of action when they meet on Saturday. The most likely outcome will be little more than a restatement of the G-7's rather generic plan to strengthen the world financial system, push for more transparency and disclosure and seek to ensure that private sector creditors share in losses resulting from the crisis.

In order to save face, the G-7 will also probably promise to further study various proposals, some of which conflict sharply with traditional G-7 free-market practices.

Among the ideas being discussed are the following:

• A proposal from France to transform an advisory body of the IMF, the so-called Interim Committee,

A Slim Cut in U.S. Rates

Fed Acts to 'Cushion the Effects' of Global Crisis

By Mitchell Martin
International Herald Tribune

NEW YORK — The U.S. Federal Reserve Board moved to reduce short-term interest rates Tuesday, seeking to give a spark to the slumping international economy.

The central bank cut the target rate for the federal funds rate, the rate banks charge each other for overnight loans, by one-quarter percentage point, to around 5.25 percent.

The reduction, the first in nearly three years, was smaller than some analysts had expected. Nonetheless, it was an acknowledgment that events unfolding far from America's shores were beginning to threaten the United States.

"The action was taken to cushion the effects on prospective economic growth in the United States of increasing weakness in foreign economies and of less accommodative financial conditions domestically," the Fed said.

"The recent changes in the global economy and adjustments in U.S. financial markets mean that a slightly lower federal funds rate should now be

longer needed to do so," said Sam Kahan, an economist who runs his own firm, A.S.K. Financial Research, in Chicago.

But in a reflection of possible disappointment among investors that rates had not been cut further, stock prices dropped after the Fed's move was announced. The Dow Jones industrial average closed down 28.32 points, at 8,080.52, though the broader Standard & Poor's 500 stock index recovered late to end up 0.32 point at 1,049.01.

Interest-rate reductions often exert upward pressure on stock prices by reducing yields available on fixed-income investments such as bonds and bank accounts as well as lowering borrowing costs for companies.

But the real beneficiaries of Tuesday's move may be foreign borrowers such as Brazil, whose dollar-denominated debt burdens might now be lightened.

There is a very good reason why the Fed needs to cut rates again and again," said Nancy Kimeleman, chief economist for Thomson Global Markets in Boston, "and that is to weaken the dollar."

See RATES, Page 14

Greens Rode Curvy Trail To the Top In Germany

By Roger Cohen
New York Times Service

BONN — It has been a roller-coaster year for Germany's environmentalist Greens. They have zigzagged on German troop deployment in Bosnia, called for a near-tripling of gasoline prices only to shelf the idea, gone back and forth on what to do about NATO and finally found themselves a likely member of Germany's new government.

"We have shown a certain amount of chaos," said Harald Handel, a spokesman for the party, that seems almost certain to form a "Red-Green" coalition with the Social Democrats of Chancellor-elect Gerhard Schroeder. "The chaos was a reflection of a lack of organization and we now intend to change that."

But can the Greens, founded in 1979 as a loose coalition of pacifists, environmentalists, socialists and feminists, evolve from the freewheeling ways of opposition into a cohesive party of government that speaks with a single voice?

Mr. Schroeder, who will begin coalition talks with the Greens on Friday, clearly has concerns.

"The Social Democratic Party stands for economic stability, law and order and continuity in foreign policy," he told the mass-circulation Bild newspaper in an interview published Tuesday. "This is not negotiable."

In other words, closing the nuclear power stations that produce a third of Germany's energy — a Green demand — is incompatible with "economic stability"; legalizing soft drugs like marijuana — a Green demand — is incompatible with "law and order," and opposing NATO expansion — a Green demand — is incompatible with "continuity in foreign policy."

In Washington, officials indicated that some of Mr. Schroeder's concerns are shared, although it is widely believed that the Greens, hungry for a power they have never tasted, will prove pragmatic.

This will allow the party's most influential figure, Joschka Fischer, a possible foreign minister, to hold his eclectic followers to a governing coalition line. The United States therefore expects periodic irritations — protests from some party members on NATO expansion.

See GREENS, Page 6

World Bank Rewrites the Prescription for Asia

By Alan Friedman
International Herald Tribune

WASHINGTON — The World Bank on Tuesday urged the governments of crisis-stricken East Asia to further reduce interest rates and increase deficit spending to pull the region's economies out of recession.

Taking a position that is contrary to the International Monetary Fund's original prescriptions for the region, a World Bank report on the Asian financial crisis said interest rates in crisis economies

should be allowed to fall further to spur growth.

The report — titled "East Asia: The Road to Recovery" — also suggested that partnership of international financial institutions, governments and private sector banks should find ways to inject new capital into the region. If the international community were to mobilize \$10 billion, that could finance a stimulus of 1 percentage point in the economic growth rates of Thailand, Indonesia, Malaysia and South Korea, the report said.

The World Bank's recipes run counter to the strict initial demands of the IMF, which put together multi-

billion-dollar bailouts last year for Indonesia, South Korea and Thailand, the countries hit hardest by the crisis.

The IMF initially told troubled Asian governments to raise interest rates and run budget surpluses as a condition for receiving the bailout funds. But the IMF has been forced by political and social unrest to relax these demands in recent months.

The World Bank report said lower interest rates might help improve creditworthiness and reduce

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Arafat, Meeting Clinton, Agrees to West Bank Idea

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Palestinian leader, Yasser Arafat, said Monday that he had agreed to a proposal under which Israel would return an additional 13 percent of the West Bank, raising prospects for an interim Middle East peace agreement.

Mr. Arafat, speaking after an hour-long meeting with President Bill Clinton, said he hoped that an agreement could be concluded next month when he and Prime Minister Benjamin Netanyahu of Israel came to the United States for what might be days of intensive negotiations somewhere in the Washington area.

"Peace is a Palestinian need, Israeli need, Arab need, international need," Mr. Arafat said on the White House lawn after Mr. Clinton accompanied him from the building.

Referring to a Washington proposal for Israel to turn over 13 percent of the West Bank land, and declare about a quarter of it an uninhabited nature preserve, Mr. Arafat said, "We have accepted it."

Mr. Netanyahu, who met with Mr. Arafat and Mr. Clinton here Monday, said that he favored the proposal.

He also said that he was optimistic an interim accord could be reached next month if Palestinians agreed to several steps to fight terrorism, including dismantling terrorist groups, confiscating weapons and limiting anti-Israel speeches and propaganda.

"I can't tell you that we agree on everything," Mr. Netanyahu said. "But I can tell you that we agreed on quite a few things."

The 13-percent agreement, though it did not come as a surprise, represents a

See ARAFAT, Page 7



President Clinton saying farewell Tuesday at the White House to Yasser Arafat after they had discussed ways to break a Mideast deadlock.

Aid Agency Pulls Out of North Korea

Doctors Without Borders Fears That Food Sent for Children Is Misused

By John Pomfret
Washington Post Service

BEIJING — The largest international charity operating in North Korea announced Tuesday that it was pulling out

because the Communist government had refused to give the charity access to a large population of malnourished and ailing children.

The European charity, Doctors Without Borders, withdrew its team of 13 professionals, including nine doctors.

The move, rare for an international organization, underscored the growing problem that Western aid agencies are having in North Korea as they try to determine whether medicine and food are getting to the truly needy in the isolated Asian nation.

In early August, the Paris-based Doctors of the World left North Korea for similar reasons.

Officials of Doctors Without Borders said they were concerned that the North Korean government was adopting a double standard — feeding children who came from families loyal to the regime and neglecting those children who did not.

The officials said they had obtained evidence that orphaned and homeless children had been collected in centers, known as "9-27 camps," named after the day last year that the North Korean leader, Kim Jong Il, ordered the establishment of the centers to "normalize" the country.

Conditions at those camps are believed to be horrible, the officials said, citing interviews with refugees from such centers who escaped into China.

"We are sorry to be forced to pull out when there are serious medical, nutritional and sanitation problems which need to be addressed," said Eric Goemaere, director general of the organization. "The new policy of 'normalization' has nothing to do with the reality of life in North Korea and will cost the lives of thousands."

The medical charity announced its

See KOREA, Page 6



Mohammed Baradei warning of concern over Iraqi intransigence.

AGENDA

Atomic Agency Warns Iraq on Inspections

VIENNA (AP) — The head of the International Atomic Energy Agency, the nuclear watchdog body, said Tuesday that concern was growing over Iraq's refusal to cooperate with its inspectors, stressing that the current situation was "unsatisfactory."

The longer this lull in our activities continues, the more concern we will have about the Iraqi program," he said, reporting on the results of an IAEA General Conference last week that condemned Iraq's intransigence.

UN arms inspectors relied on Israel for tips. Page 2.

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'Well-Bowled, Old Chap' / Turmoil at Marylebone

Flash! London Cricket Club to Admit Women

By T. R. Reid
Washington Post Service

LONDON — The drive for equality of sexes in Britain has bowled over a notoriously sticky wicket as the members of the crusty Marylebone Cricket Club finally voted to admit "ladies" to their ranks.

Over the past two decades Britain has accepted female vicars in the pulpit, female CEOs in the boardroom and even a female prime minister in Parliament. But the establishmentarian body that once governed the laws of cricket had spurned all requests from women who had wanted to cheer on their teams from the Marylebone Cricket Club's imposing pavilion at Lord's Cricket Ground.

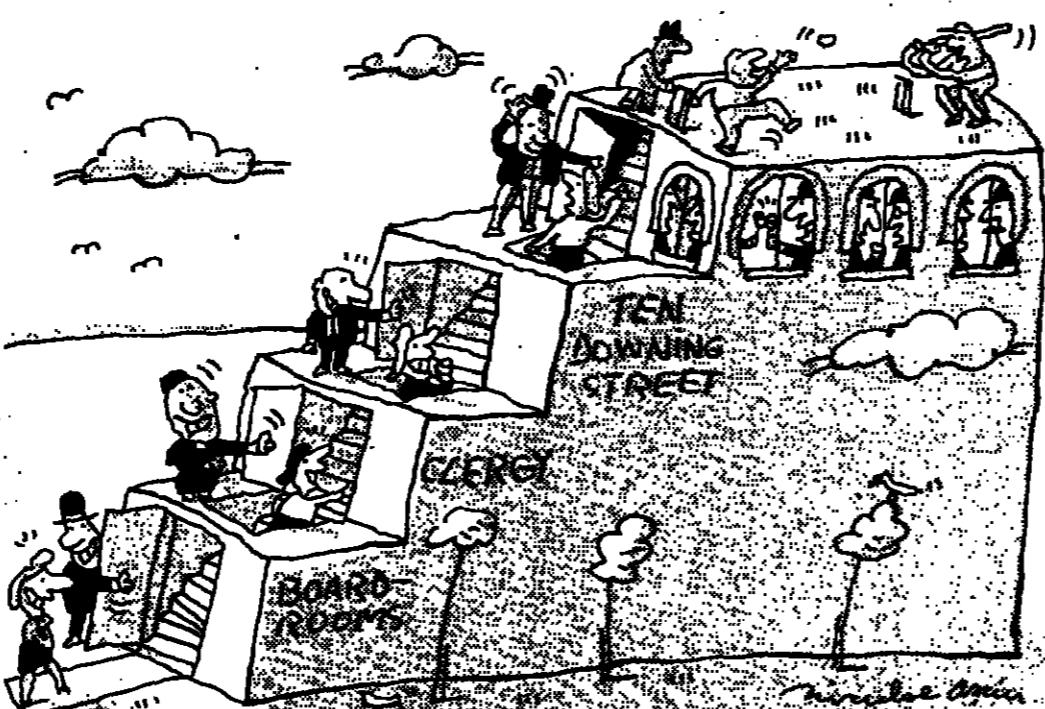
Just eight months ago, the club's 17,500 male members failed to approve the same resolution. The chief argument against female members then seemed to be that the club had been all-male since its founding 211 years ago, and a cricket club should honor tradition.

The appeal to traditional ways clearly had drawing power in an organization dedicated to the enjoyment of a game with some charmingly old-fashioned features. Cricket players still wear starched white flannels on the field, and the teams still interrupt play for a tea break each afternoon, no matter how important the match or how tight the television schedules.

Visiting the Marylebone club on the day of a big match is like watching a 1930s English movie. The members uniformly wear blue blazers, bowler hats and the club's famous red-and-yellow regimental tie. They linger in walnut-paneled bars hung with fading portraits of great cricketers like Sir Spencer Ponsonby-Fane and the Sixth Earl of Bessborough. It's not uncommon for members to shout the all-time cricket cliché: "Well-bowled, old chap, well-bowled!"

But the club's president, Colin Ingleby-Mackenzie, cited more up-to-date considerations in bringing the sex issue to a referendum. And these concerns carried the day in Monday night's decision to open the club to female members.

"We are absolutely delighted that our members have decided to welcome ladies," Mr. Ingleby-Mackenzie said as he announced that 69 percent of the membership had backed the change. "It's evident that members saw what was happening and felt there



was no point in resisting the changes around us."

One such change is that, while the world's oldest cricket club has clung resolutely to its men-only tradition, the sport of cricket itself has gone coed.

There are hundreds of women's cricket teams in Britain, and most other cricket-playing nations — primarily former British colonies — have well-developed women's programs as well.

Next year, when the cricket World Cup championships return to Britain, the final game will be played at Lord's. Since its ground will be the focus of global cricket concentration, the club feels the need to make improvements that will cost millions of dollars.

But, because of its exclusive membership policy, the club was turned down when it sought a government grant. It turned to corporate sponsors for financial assistance, but this, too, proved futile.

"The simple truth is," said Roger Knight, the club's secretary, "in this day and age an all-male organization is not going to get corporate or public support. We have an obligation to cricket, and to the country, to change some of our ways."

BY global standards, British women are considerably more successful bowlers and batters than their brothers and husbands. The national women's team has twice won the cricket World Cup championship; British men have never won the global title in a sport they gave to the world.

More important, perhaps, are the changes in British law and public opinion surrounding traditionally all-male preserves.

The Marylebone Cricket Club is a private club.

but one that happens to own a public institution of enormous importance in British sport.

The red brick MCC clubhouse forms one section of the stands at Lord's Cricket Ground, a lovely green field.

Among its most important contributions, from the UN panel's point of view, were significant leads on the existence of a biological weapons program and the first concrete evidence that Iraq had a systematic campaign of deception to conceal weapons programs was legally obliged to declare and dismantle.

The two-way exchange of information, which included meetings with the director and deputy director of Israeli military intelligence, eventually involved Israeli analysis of aerial photography taken by U.S. U-2 surveillance planes, provision of raw reports from defectors and other human sources, and Israeli processing of other forms of information obtained by the special commission.

According to three officials with direct knowledge of the relationship, Israel had become by July 1995 the most important single contributor among the dozens of UN member states that have supplied information to the commission since its creation in April 1991.

The United States, by all accounts, remained a major supplier of information, as well as the commission's most important material and political backer. But the arrival of fresh Israeli intelligence after most U.S. tips had been exploited made for what one official called "this great big candy store of nice goodies."

There is no evidence that Israel directed commission activities in any way or that the UN panel gave information improperly or for Israel's national benefit. But Israel and the commission have kept the operation among their most sensitive secrets, fearing that Iraq would use it to feed propaganda attacks that also featured accusations of a Zionist conspiracy behind the inspectors' work.

Even without evidence, those charges have resonated among intellectuals and in the government-controlled media in much of the Arab world, including pro-Western Gulf states on which the UN commission has relied for practical and diplomatic support.

Ewen Buchanan, the commission spokesman, said the Security Council resolutions demanding Iraqi disarmament call upon all member states to assist the panel. More than 40 countries, he said, have "helped us in the form of experts, information, equipment, finance and in-kind help like laboratory analysis or helicopters."

"As a general principle," he added, "we will not confirm or deny our dealings with particular states."

The Israeli delegate to the United Nations, Dore Gold, consulted with superiors when asked about the cooperation, responding afterward that he could say only, "I cannot give any official Israeli response."

Those willing to speak about the relationship, from the commission's point of view, said it had no choice but to seek assistance from foreign intelligence contacts with Israel.

Sources said that investigation remains open, and the FBI declined to comment. Current and former U.S. government officials and current and former commission officials said, without dissent, that Mr. Ritter's exchange of information with Israel was approved by his superiors at the commission and, in principle, by the United States.

But some of those officials said there were concerns about Mr. Ritter's links with Israel that fell short of criminal suspicion. Mr. Ritter on several occasions brought canisters of U-2 film for processing in Israel, a source said, and from time to time allowed Israeli technicians to make copies.

Four sources with firsthand knowledge said that Mr. Ritter and his colleagues worked with the explicit consent of Mr. Ekeus, a Swede, and of Richard Butler, Mr. Ekeus' Australian successor. Those familiar with the relationship insist that the commission never "traded" information in return for Israeli help.

Iran Rejects U.S. Bid to Explore Ties

By Elaine Sciolino
New York Times Service

NEW YORK — Foreign Minister Kamal Kharrazi of Iran has rebuffed the offer by the United States to draw up a "road map" to re-establish relations between the two countries, accusing the Clinton administration of an outdated policy of hostility toward his country.

In a speech to the Asia Society, Mr. Kharrazi noted a "new tone" toward Iran on the part of President Bill Clinton and Secretary of State Madeleine Albright. But he added that "sole reliance on variation in verbiage can simply not provide the necessary basis for an invitation to political对话."

Mr. Kharrazi, a former delegate to the United Nations who earned a doctorate in education at the University of Houston, is a close adviser of Iran's reformist president, Mohammad Khatami.

The address was intended as an official response to Mrs. Albright's speech before the organization in June in which she called on Iran to join in drawing up the road map to normal relations. But her failure to offer any specific initiative or policy shift irritated Iranian officials, who said there was no incentive to begin a political dialogue with Washington.

Mr. Kharrazi reiterated that position Monday, making no effort to disguise his displeasure at American policy toward Iraq and reciting a litany of actions that he said indicated Washington's "Cold War mentality."

U.S. policies and its lack of commitment to change are "hardly compatible with the proposal to develop a road map to change the state of affairs," Mr. Kharrazi said. "This is because there is no ground for political negotiations while these policies continue."

The administration sent several senior officials to New York to hear Mr. Kharrazi. They included Thomas Pickering, undersecretary of state for political affairs; Martin Indyk, assistant secretary of state for Near Eastern affairs; Wendy Sherman, a senior State Department adviser, and David Welch, a Middle East specialist and Mr. Indyk's chief deputy.

"It did not offer a road map for the future," Mr. Pickering said of the speech. But he said that "the most important and interesting thing is it is clearly a step forward to have the foreign minister of Iran come to the United States and make a speech" as an "attempt to justify the wrong past," and blamed the United States for the coup that restored the monarchy in 1953.

Still, Mr. Pickering said that a number of subjects that are of great interest to us: counternarcotics, anti-terrorism and weapons of mass destruction."

1980 to free Americans held hostage by Iran's revolutionary government.

Mr. Kharrazi made these criticisms:

• The United States lacks "a commitment to international law" because of its imposition of sanctions against Iran and dozens of other countries around the world.

• The United States is "retarding economic prosperity of Iran and the region" by its policy of obstructing the building of a pipeline through Iran to ship oil and gas from Central Asia and the Caucasus.

• The United States is trying to "sabotage" Iran's efforts to play a role in promoting regional stability.

• The covert program approved by Congress to destabilize Iran and the recent creation of a Persian-language radio station "to wage a propaganda war" against Iran are evidence of American "interference in internal affairs of Iran."

Mr. Kharrazi also criticized Mrs. Albright for defending American support for Shah Mohammed Reza Pahlavi as an "attempt to justify the wrong past," and blamed the United States for the coup that restored the monarchy in 1953.

Cyrus Vance, secretary of state in the Carter administration and during Iran's 1979 revolution, said simply: "It was a very tough speech." Mr. Vance resigned as secretary of state after the failed American military mission in

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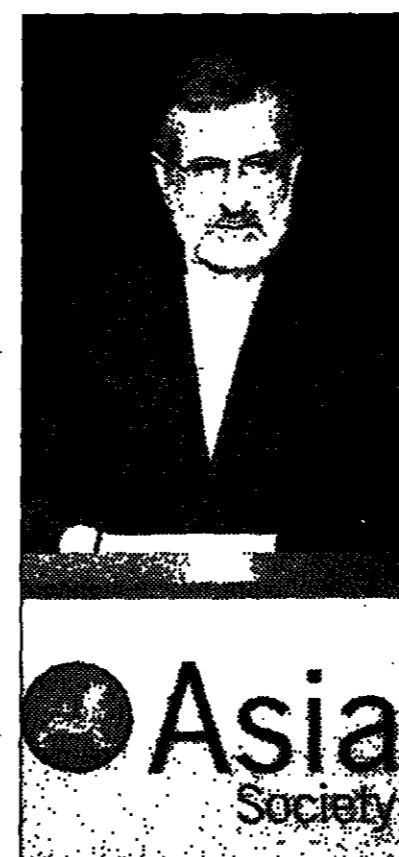
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Kamal Kharrazi, Iran's foreign minister, rebuffing the U.S. offer of a "road map" for new relations.

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TRAVEL UPDATE

A New Bus Route in Paris

PARIS (AFP) — For the first time since 1945, Paris is to inaugurate a new public bus route, its 58th.

The route, line 88, will cross the southern 14th and 15th arrondissements, or districts, linking the Cite Universitaire, a district of student residences, with the Quai Andre Citroen on the Seine.

The line will pass the Montparnasse rail-road station, which has a high-speed TGV rail service, and the Javel station on the RER C commuter train line.

Updating a London Classic

LONDON (AFP) — British Telecom will install about 50 new telephone booths in the classic 1936 design around Piccadilly Circus and Charing Cross — but the booths will be black rather than red.

The design has gradually been disappearing since the 1980s except in the heart of London. Red is now reserved for British Telecom's competitors.

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Singapore Airlines Ltd. is reinstating its discounted fares to Manila, six days after it withdrew them to take advantage of troubles at Philippine Airlines Inc., its only competitor on the route. Singapore Airlines had withdrawn its discounts to Manila — effectively doubling its fares — when Philippine Airlines was grounded by mounting losses and labor disputes. On Monday, PAL said it would resume operations from Oct. 7.

Tourist arrivals in Singapore fell by 11.7 percent in August from a year earlier, as recessions in Asian countries kept people home, the Singapore Tourism Board said.

The U.S. Federal Aviation Administration has ordered more inspections of wiring around the fuel tanks of Boeing 737s, the world's most widely used airliner. The agency is requiring U.S. airline companies to inspect Boeing 737-100 through -500 series aircraft with 20,000 to 30,000 flight hours, which adds up to about a year or two flight time. Airlines have 60 days in which to conduct the inspections.

Bus service is to begin on Friday between Cairo and Baghdad. It will be the first such link between the two countries since the 1991 Gulf War. The trip will take 24 hours, through Jordan. Most of the passengers are expected to be Egyptians working in Iraq.

(AP)

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(AP)

WEATHER

Europe

Today High Low

Tomorrow High Low

Wednesday High Low

Thursday High Low

Friday High Low

Saturday High Low

Sunday High Low

Monday High Low

Tuesday High Low

Wednesday High Low

Thursday High Low

Friday High Low

Saturday High Low

Sunday High Low

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Friday High Low

Saturday High Low

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THE AMERICAS

Democrats Differ on Clinton Defense

Some Criticize Liberal Group's Plan for Campaign on Television

By Brian Knowlton
International Herald Tribune

WASHINGTON — Political skirmishing sharpened Tuesday around the presidential sex scandal, as some Democrats criticized plans by a liberal coalition for an advertising campaign that would praise President Bill Clinton while castigating Republicans for neglecting more pressing public issues.

The advertising campaign, according to sources quoted by The Washington Post, is being organized by a group called People for the American Way, which was founded by the Hollywood producer Norman Lear.

Supporters hope to raise \$3 million to \$5 million for the televised campaign. The Post reported.

The paper also said that a loose coalition of labor and black activists was considering sponsoring a separate television campaign to benefit Mr. Clinton and encourage Democratic turnout in the midterm elections on Nov. 3.

Some Democrats, however, said they feared that the president and his supporters were moving too quickly from a strategy of humble contrition to one of strident combativeness.

Representative Barney Frank, a liberal Democratic member of the Judiciary Committee, said: "It would be wrong for any Democrat to forget that the president's mistakes are part of the problem."

The Democratic National Campaign Committee said that an ad campaign focusing on Mr. Clinton and the sex scandal would use resources that could better be spent on Democratic candidates facing well-financed Republican rivals.

Dan Salluk, a spokesman for the

committee, said: "If the White House follows through with this, there will be a number of House Democrats who will feel betrayed."

The White House also questioned the wisdom of the campaign.

"I'm not so sure generically it's a good idea," said the presidential spokesman, Mike McCurry. "I'm not confident that any kind of national advertising campaign is going to be helpful."

Democratic candidates for House and Senate seats are being outspent by Republicans. Republicans plan to spend at least \$25 million on issue-advocacy advertisements in competitive House districts, compared to less than \$10 million by Democrats, according to a senior political strategist.

Meanwhile, the Republican chairman of the House Judiciary Committee said he would meet several demands put to him by Democratic members of the committee.

"We are trying to accommodate them," said the chairman, Representative Henry Hyde of Illinois.

The Judiciary Committee is expected to vote Monday to ask the full House to approve a formal impeachment inquiry.

Mr. Hyde said that he had instructed Representative Charles Canady, a Florida Republican, to hold a subcommittee hearing to make recommendations on what constitutes an impeachable offense.

Mr. Hyde said he would favor granting the ranking Democrat on the committee, Representative John Conyers of Michigan, the same subpoena power that the chairman would have if a inquiry were authorized.

Mr. Hyde also indicated for the first

time how he would vote on Monday. He said, "I should think there is enough to warrant an inquiry."

He insisted, however, that complaints by Democrats of unfairness were unfounded.

"We are doing our level best to be credible," he said. "If we aren't credible, what do amounts to nothing."

Mr. Hyde's concessions were welcomed by the White House. But some Democrats on the committee said that they did not go far enough.

"Everything has been done by dictat, by ukase, no consultation," Representative Jerrold Nadler of New York said Tuesday on CNN television news.

He complained that Mr. Canady's subcommittee inquiry would come too late, saying that the vote Monday would be taken "without an hour, a day or a minute" of discussion about what constitutes an impeachable offense.

The moves Mr. Hyde announced have been supported, however, by a bipartisan "lunch group" of four centrists on the committee, who say they want to help keep the committee on a path of fairness, dispassion and credibility.

The group includes the Republicans Asa Hutchinson of Arkansas and Lindsey Graham of South Carolina and the Democrats Bill Delahunt of Massachusetts and Howard Berman of California.

The four successfully backed a Democratic request for the full panel to review documents that the independent prosecutor, Kenneth Starr, did not send to the House, in order to weigh Democratic complaints that the Mr. Starr might have withheld material that would support Mr. Clinton's case.

The Judiciary Committee has now reviewed more than 50,000 pages of evidence that Mr. Starr sent to the House. About 3,000 to 5,000 pages of it is expected to be released to the public Thursday in two bound volumes.

A committee source told The Associated Press that the evidence included transcripts of grand jury testimony from Mr. Clinton's personal secretary, Betty Currie, from Mr. Clinton's friend Vernon Jordan; and from Secret Service agents.

The material also reportedly includes transcripts of taped conversations between Monica Lewinsky and her former friend, Linda Tripp.



Alabama National Guard members rescuing children in Mobile from floodwaters caused by the hurricane.

Georges Downgraded to Tropical Storm

Hurricane Claims 3 Lives in U.S., While the Caribbean Toll Rises to 381

Reuters

is very heavy." Dr. Yolene Vaval Surena, head of Haiti's Civil Protection Directorate, said in the capital Port-au-Prince.

"Now we have counted 147 dead."

The hurricane came ashore near Biloxi on Monday, then stalled about 20 miles north of the city, hammering Louisiana, Mississippi, Alabama and Florida. Sus-

tained winds howled at 100 miles per hour and the storm dumped over 24 inches (61 centimeters) of rain on the coastal region. Wind gusts of 175 miles per hour were reported at Keesler Air Force Base in Biloxi.

Traders said Georges helped spur buy-

ing on oil markets, while cotton, coffee and gasoline prices also received a boost as the storm flooded crops, shuttered warehouses and closed refineries.

No longer able to draw strength from the warm Gulf waters, however, the storm weakened late Monday. Maximum sustained winds dropped to 45 miles per hour, well below hurricane strength, and forecasters said it was expected to weaken more.

The National Hurricane Center said the threat of heavy rain continued, and tropical storm warnings remained in effect from the mouth of the Mississippi eastward to Destin, Florida.

The JFK 'Secret' — None

Warren Report on '63 Assassination Is Upheld By Huge Review, Which Denounces Secrecy

By Tim Weiner
New York Times Service

WASHINGTON — There is no second gunman, no assassin lurking on the grassy knoll, no vast conspiracy. But now more than 60,000 secret documents on the killing of President John Kennedy are public records, made public by a citizens' commission that concluded its work after taking one of the deepest cuts ever into official government secrecy.

The commission, the Assassination Records Review Board, created by Congress six years ago to dispel an abiding sense among Americans that the truth about the Kennedy assassination had been hidden, has since helped put more than 4 million pages of secret records into the public domain, using unprecedented powers to order declassification of documents.

For decades "the official record on the assassination of President Kennedy remained shrouded in secrecy and mystery," says the board's final report, to be issued Wednesday.

The suspicions created by government secrecy eroded confidence in the truthfulness of federal agencies in general and damaged their credibility.

No one yet has read all the documents, some of which were still being declassified during the weekend.

Those already declassified include the records of CIA and FBI surveillance of Lee Harvey Oswald, who defected to the Soviet Union and returned to the United States, that was conducted well before his arrest on the afternoon of the assassination, in Dallas on Nov. 22, 1963.

The declassified documents also include previously unknown original notes of Mr. Oswald's interrogation by the FBI and the Dallas police after the assassination, statements from doctors who performed an autopsy on the president, papers concerning a Pentagon plot to blame Fidel Castro if the Mercury space capsule carrying John Glenn crashed and documents dealing with a hundred other subplots and loose threads for historians to weave.

But nothing in the documents is likely to prove or refute the conclusion of the Warren Commission, the panel of senior government officials that determined in 1964 that Mr. Oswald was the lone assassin.

The Warren Commission found no conspiracy in the assassination and none in Mr. Oswald's murder two days later in a Dallas police station by Jack Ruby, a nightclub owner.

"The American public never trusted the commission's conclusions," the report said, noting that there were reasons for mistrust. The Warren Commission

worked in secrecy, sealed many of its records, misstated some evidence and was denied some facts. And four of the commission's seven members later expressed some skepticism about their own conclusions, the report notes.

"They got key things wrong," said Gerald Posner, the author of respected books on the assassinations of President Kennedy and Martin Luther King Jr., who believes that Mr. Oswald was a lone assassin. "They misstated the timing of the shot that killed the president. They did not look aggressively at Ruby's mob connections."

"The review board's work shows that the FBI did not tell the commission key things. And of course the CIA was concerned about its Castro war."

One member of the Warren Commission, Allen Dulles, director of central intelligence from 1953 to 1961, never mentioned that Mr. Kennedy had ordered the CIA to assassinate Mr. Castro. Some of the agency's 33 plots to do so involved the Mafia.

The review board had five members: John Tunheim, a federal district judge in Minnesota, the board's chairman; Henry Graff, a Columbia University historian; Kermit Hall, professor of history and law at Ohio State University; William Joyce, archivist at Princeton University, and Anna Nelson, historian at American University.

They said in their report that "30 years of government secrecy" surrounding the assassination had "led the American public to believe that the government had something to hide."

Congress established the review board in 1992, reacting to Oliver Stone's movie "JFK," which presented a conspiratorial view of the assassination that resonated with many Americans. Congress gave the board unprecedented power to review and make public secret records, and that power set off a struggle to free the records from government vaults.

The board said it had confronted a Cold War culture of secrecy that had not significantly changed.

"The federal government needlessly and wastefully classified and then withheld from public access countless important records that did not require such treatment," the report said. "An aggressive policy is necessary to address the significant problems of lack of accountability and an uninformed citizenry that are created by the current practice of excessive classification and obstacles to releasing such information."

"Change is long overdue," the report concluded. "It is a matter of trust." Making historical documents public, it said, "is essential to maintaining our freedom."

who moonlighted then as a researcher for an anti-Clinton research initiative called the "Arkansas Project" that was organized by The American Spectator.

From 1993 to 1997, Mr. Scaife gave the magazine \$1.8 million for the proj-

ect, plus an additional \$600,000 to dig up more information undermining the president.

Mr. Dozhier's former girlfriend, Caryn Mann, said that Mr. Dozhier paid Mr. Hale as much as \$5,000 from the

bait shop's cash register and gave Mr. Hale free use of his car. Mr. Dozhier denies giving Mr. Hale the money, and Mr. Hale has made the same claims about Mr. Clinton since before any alleged payments were made.

ASIA/PACIFIC

Clinton Gets Flexibility On India and Pakistan

Congress Allows Year's Waiver on Sanctions

Associated Press

WASHINGTON — Negotiators from the House of Representatives and Senate have voted to give President Bill Clinton flexibility in dealing with India and Pakistan by allowing a one-year waiver of U.S. sanctions on the newest nuclear-weapons powers.

The waiver, potentially the first step in a broad revision of U.S. policy on economic sanctions, was approved by a House-Senate panel as part of an agriculture funding bill.

Beijing Faults U.S. War Plans

Reuters

BEIJING — Beijing, responding Tuesday to reports that the United States considered a preemptive nuclear strike on China in 1964, lashed out at "bankrupt" Cold War thinking.

A report Sunday by the Los Angeles Times that top aides to President Lyndon B. Johnson had weighed using nuclear weapons to halt the Chinese nuclear program "is a reflection of Cold War thinking and the pursuit of a China containment policy," the Foreign Ministry said.

"As everyone knows, this Cold War thinking and containment policy ended in utter bankruptcy," it said.

Andes to President Johnson decided after long debate that the risks of a nuclear attack were too great, according to the Times report, which was based on recently declassified State Department foreign papers.

China conducted its first nuclear test Oct. 16, 1964.

The ministry statement urged both American and Chinese people to "use history as a mirror and prevent the Cold War mentality from coming back from the dead to obstruct the improvement and development of bilateral relations."

Although the two countries remained at odds during China's xenophobic Cultural Revolution and the Vietnam War, they began to patch up their relations in the early 1970s in the face of what they saw as a common threat from the Soviet Union.

A visit to China in 1972 by President Richard Nixon paved the way for dialogue leading to the normalization of diplomatic relations in 1978.

The 1964 debate on whether to attack China was revealed as Foreign Minister Tang Jiaxuan arrived in Washington for a three-day visit during which the Chinese official was expected to discuss trade and Taiwan, the most contentious bilateral issues.

Negotiators rejected another proposal, approved in July by the Senate, to exempt food and medicine from all unilateral U.S. embargoes.

Although negotiators wrapped up work on those provisions, leaders said the bill would not go to a floor vote until they could resolve a dispute over an unrelated abortion measure attached to the bill. Lawmakers were not expected to meet again before Thursday.

The White House has sought authority to waive U.S. economic sanctions on India and Pakistan for one year in hopes engagement would bring greater U.S. leverage in the Subcontinent. There also have been complaints that the sanctions unwise shut off sales by American companies.

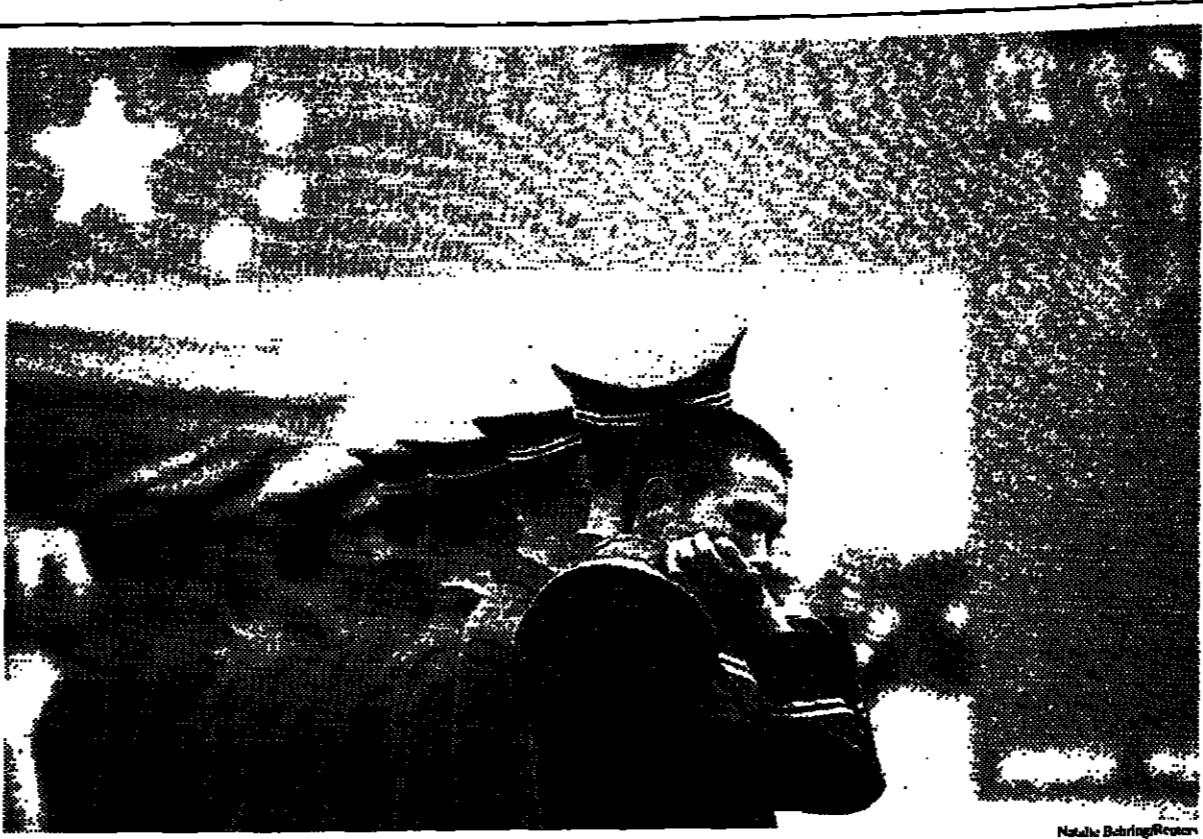
Senator Tom Harkin, Democrat of Iowa, said that "we're close, very close" to getting India and Pakistan to sign a nonproliferation pact and a missile control regime.

"This gives the administration the tools to accomplish this," Mr. Harkin said.

Broad U.S. sanctions against India and Pakistan automatically took effect earlier this year when they staged nuclear tests.

China exempted agricultural exports from the sanctions on India and Pakistan.

Concern over those sales provided an opportunity for senators to suggest broad-scale revision of U.S. sanctions in a bill rarely touched by foreign policy debates. House negotiators, uneasy about venturing into India and Pakistani sanctions, balked when Representative Jose Serrano, Democrat of New York, suggested that food and medicine ex-



ALL DRILLED OUT — A People's Liberation Army soldier wiping away the sweat while practicing Tuesday for military commemorations in Beijing of the 49th Chinese National Day, which is Thursday.

ports be allowed to Cuba. They scuttled the Senate proposal to exempt food and medicine from U.S. embargoes except for sales to authoritarian and terrorist-supporting countries. That list included Cuba, Libya, North Korea, Iraq, Iran, Saudi and Syria.

Prime Minister Atal Bihari Vajpayee, speaking to the UN General Assembly, said that India had satisfied its security concerns with nuclear tests in May and was ready to cooperate with other nations in bringing the Comprehensive Test Ban Treaty into force.

The Clinton administration reacted cautiously to Mr. Vajpayee's statement Thursday and that of Prime Minister Nawaz Sharif of Pakistan, who spoke Wednesday and with less ambiguity.

"Obviously much remains to be done," Secretary of State Madeleine Albright said.

She mentioned the actual signing and

ratification of the treaty, for which no date was set by either India or Pakistan, as well as the strengthening of export controls by both countries.

Other steps also need to be taken to bring the two countries into full compliance with international arms control agreements.

If India and Pakistan remain true to their pledges here, North Korea will stand alone in refusing to sign the treaty, and its refusal could still prevent the treaty from going into force a year from now, the deadline for ratifications set by a UN conference two years ago.

(Reuters, NYT)

In New Manifestos, Chinese Dissidents Condemn Social Injustice

By Erik Eckholm
New York Times Service

BEIJING — A small group of dissident intellectuals has issued a sharp challenge to the government, circulating manifestos on freedom and social justice that reject in scathing terms many hallowed tenets of the Communist Party.

The new challenge comes just as the government is stamping out a fledgling alternative political party. In recent weeks many of the leaders of the party have been detained.

The two new declarations, about five single-spaced pages each in English translation, are circulating on the Internet and by fax.

One is a "Declaration on Civil Rights

and Freedom." It says that individual rights remain suppressed in China. It rejects the government's argument that "human rights" is a relative term, to be adapted to national conditions.

The second document is a "Declaration on Civil Rights and Social Justice." It charges that the fruits of the emerging market economy are being stolen by a privileged elite.

Both manifestos emphasize allegations of social injustice in the cornering of wealth. This emphasis reflects rising popular concern about corruption and inequality as the dazzling economic growth of recent years begins to stall.

The statements do not mince words in their indictments of the Communist system. They are cosigned by five persons still living here. All five are under the

close surveillance of security agencies.

"We will assume the consequences of issuing these declarations, including the possibility of being sent to prison," said one of the five co-signers, Ding Zilin.

Miss Ding's husband, Jiang Peikun, also signer, is said to be the chief drafter of the new declarations. The couple, retired professors at People's University here, were the parents of a student who was killed near Tiananmen Square in 1989.

Another signer, Jiang Qisheng, said in an interview Tuesday that individual freedoms and rights were a "core value of all humanity" and that through the declarations "we hope we can arouse a peaceful and open popular movement demanding these freedoms."

The Declaration on Civil Rights and

Freedom includes a frontal assault on the primacy of the Communist Party.

"China's rulers continue to impose on all Chinese citizens a political party that cannot represent the interests and will of all the people," the statement says. "If this situation continues, there is bound to be increasing conflict with the reality of pluralistic interests and values that have emerged in the process of China's modernization."

The document says that the legal system remains "a tool used by the ruling clique to maintain and safeguard its grip on power."

The declarations have been posted on two Web sites, those of Human Rights in China (www.hrichina.org) and the Digital Freedom Network (www.dfn.org).

Floods Have Killed 1,500 in Bangladesh

DHAKA, Bangladesh — Diarrhea and other water-borne diseases have killed at least 500 people in Bangladesh, raising the death toll from devastating recent floods to more than 1,500, disaster management and health officials said Tuesday.

They said other deaths had been caused mostly by drowning, snake bites and collapsing houses during more than two months of flooding, which has now receded almost fully.

At one stage, the floods submerged three-quarters of the poor South Asian country.

(Reuters)

Cambodia Election Comes Under Fire

PHNOM PENH — A U.S. group has said that the July elections in Cambodia were "among the worst" it had observed in recent years, despite an international declaration that they had been free and fair.

The International Republican Institute said that, although polling on July 26 had run smoothly, the wider election process had been "fundamentally flawed" by government interference and voter intimidation.

Lorne Craner, president of the institute, said in Washington on Monday that the events which led it to condemn the voting "occurred not on election day, but in the days, weeks and months before and after the balloting."

(Reuters)

For the Record

Soldiers and police in Pontianak, Indonesia, long rivals in the city in the Indonesian part of Borneo Island, opened fire on each other Tuesday, killing at least three people, the police and witnesses said. Nine others were wounded.

(Reuters)

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INTERNATIONAL

Blair's Labour Party Revels in Its New GentryBy Warren Hoge
New York Times Service

BLACKPOOL, England — Blackpool and the Labour Party have been as compatible as fish and chips for years, but the delegates to this week's convention are having their last fling with the frumpy old resort.

In another step to shed association with its rabble-rousing socialist past, the party — which Prime Minister Tony Blair calls New Labour — is ending a 70-year-old tradition of gathering in this working class playground on the Irish Sea with its floodlit imitation Eiffel Tower, beachfront amusement arcades and rows of prim Victorian rooming houses with geranium pots on the windrows.

The years to come will find the delegates in more refined places like Brighton and Bournemouth on the English Channel, which are the vacation spots for the aspirational class wedded to small business capitalism and shopping mall consumerism that New Labour now courts.

Blackpool's notoriously censorious landladies have had a lot of tact-splitting comments to make about being tossed aside for the new model, and they have

been joined this week in denouncing the New Labour government's leaders by shunned members of the party's left wing and of the trade union movement, which created old Labour nearly a century ago.

Mr. Blair, in his keynote address to the conference on Tuesday, acknowledged that the blush was fading from the party's symbolic red rose. He said people should not lose their nerve as the government confronted "tough decisions" on the economy, welfare and productivity in the public sector.

"No retreat," he said defiantly. "No backing down. Backbone, not back down, is what Britain needs."

With the first sign that the long honeymoon his government has had may be coming to an end, he said, "We would rather be popular than unpopular, but it is better to be unpopular than wrong."

His speech to the Labour faithful last year was triumphant, coming only months after the party had wrested the government back from the Conservatives after 18 years out of power. Tuesday's took credit for accomplishments of the past year but sounded a warning about the future.

He told delegates in the gilt Winter Gardens ballroom that what he called

modernizing moves would provoke disidence, and he appealed for support. "When we bring forward proposals for change in our welfare," he said, "don't tell us it's a betrayal of the welfare state when in truth welfare reform is its only salvation."

He said: "There will be attacks to the left of you, attacks to the right of you, attacks from behind and in front. Welcome to government."

Mr. Blair's personal popularity, in fact, continues high, with approval ratings in the 60-percent range, and his control of the party is secure. But his having turned Labour into what he called on Tuesday a "pro-business, pro-enterprise" party incurs disapproval from older party members at a time when recessionary fears are rising and some multinational employers around Britain are shutting down or cutting back.

Mr. Blair looked out at an audience on Tuesday that included restive union leaders who are increasingly questioning his government's austerity policies, which have resulted in high interest rates. Mr. Blair reminded them that voters had chosen "a New Labour party not in the pocket of the trade unions, not taxing them through the roof, not changing after every passing fad of the politi-

cal fringe, but modern, principled and in touch."

Just two weeks ago, in the same hall, John Edmonds, president of the Trade Unions Congress, had criticized the government for not cracking down on big boardroom salaries. It was a blast more typical of Blackpool rhetoric than Mr. Blair's reflective address.

"A company director who takes a pay rise of 50,000 pounds when the rest of the work force is getting a few hundred is not part of some general trend," he said. "He is a greedy bastard."

The union movement contributed 77 percent of the party's budget a decade ago but accounts for less than 40 percent now. The membership of the Labour Party has changed dramatically, and the people passing by the bingo parlors and vendors peddling Blackpool rock candy sticks this week were no longer hard-bitten miners in cloth caps. They were accountants, lawyers, economists, management consultants and business people, most of them dressed in dark suits accessorized with cellular telephones.

Even without moving out of Blackpool, the Labour Party has already tidied up its once famously disruptive conferences. New rules regulate what issues



Prime Minister Tony Blair addressing the Labour conference Tuesday.

can come to the floor, and the only people to be called on to speak are ones who have been briefed and screened ahead of time.

New Labour has taken sponsorship

to new levels in British political life at this conference. For example, the tags around the neck of every delegate, visitor and journalist bear the logo

of a national chain of supermarkets. In a question-and-answer meeting with delegates Sunday, Mr. Blair was asked if this didn't mean the party was for sale.

"Personally, I feel it's sensible to raise money from people sponsoring things, provided they understand they get nothing in return," he said.

**Eastern Germany in 1998:
A Land of Angry People****Frustrated Voters Turn to Ex-Communists**By Edmund L. Andrews
New York Times Service

HALLE, Germany — Most of the nightmarish, polluting chemical refineries in this East German city have been bulldozed since the fall of the Berlin Wall, along with most of the jobs that went with them.

But many of the former workers are still here and still living in the graffiti-covered high-rise apartments that the state-owned chemical industry built for them more than 30 years ago.

This is a neighborhood with old friendships, strong community ties and meticulous housekeeping, surrounded by weeds and crumbling walkways.

It is also one where most people who voted Sunday were discouraged, disillusioned and desperate for a change.

"We are all unemployed, every one of us," said Irene, who came to vote with her husband, Hans, and two long-time friends who have been neighbors here since 1966.

All were in their 50s and none would

give full names. "If you are more than 50 years old, you have absolutely no chance of getting work," she said. "In fact, it's hard if you're over 40."

Eastern Germany played a central role in Chancellor Helmut Kohl's extraordinary electoral defeat Sunday, largely because of such frustrations.

The East used to be one of Mr. Kohl's strongholds, thanks to his role in reunifying Germany and pouring vast into reconstruction. But with 17 percent of East Germans jobless — and many more in government-paid welfare programs — Mr. Kohl's time had run out.

The Social Democrats, led by Gerhard Schroeder, won the election with 40.9 percent of the vote, up from 36.4 percent in 1994. Mr. Kohl's Christian Democrats slid from 41.4 percent to 35.2.

Overwhelming support for the Social Democrats in four Eastern states and Hamburg city helped give Mr. Schroeder his comfortable 21-seat majority in Parliament.

In a sign of just how angry many people here are, the successor to East Germany's old Communist Party, now called the Party of Democratic Socialism, saw its share of Eastern votes climb from 19 percent to 21 percent.

For the first time ever, the former Communists received more than 5 percent of votes nationwide, thus gaining full status as a minority party.

Here in Halle, people expressed their disillusionment in many forms. Doris Meyer, a 47-year-old schoolteacher who came with her husband, Harald, said that, for the first time, she would vote for the former Communists.

"We are both employed and our own lives are not that bad," she said. "But many of our friends are jobless, many of them. And I can see the impact that it is having on children at school. They are disoriented and distracted. They know their parents don't have work, and they absorb their frustration."

Christiane Fischer, a physician's assistant who is also 47, said she would vote Social Democrat after having voted for Mr. Kohl in the past.

"My son is in the military right now, and we're not sure what he will do when he gets out," she said. "He was a construction worker, but construction has slowed down so much and there are so many illegal foreign workers here who work so much more cheaply. I always thought things would be better, but they aren't. A lot of things were promised, but it isn't much better."

Several others here said that they had voted for the ultra-right German People's Union, known by its German initials as the DVU. At a McDonald's



A worker in Bonn removing campaign posters of Helmut Kohl and Gerhard Schroeder, remnants of the German general elections Sunday.

just outside town, two workers who would identify themselves only by their first names, Late and Frank, said they had voted for the rightist party as a protest against complacency in Mr. Kohl's coalition.

Mr. Lutz, a 31-year-old bricklayer, said: "I'm making a protest vote, pure and simple, because none of the parties are doing what needs to be done."

Four years ago, both men said, they voted for the Christian Democrats. They were among 200,000 former CDU voters who opted for the anti-foreigner DVU.

To be sure, the billions of marks pumped into Eastern Germany have transformed even the bleak concrete tenements for the chemical workers. Some of the high-rises have new facades, with bright paint and sturdy windows.

The parking areas are jammed with Volkswagens and even a few BMWs. And huge suburban shopping centers are just a 10-minute drive away.

Yet, spiritually and emotionally,

many people here say they see little of the "blooming landscapes" that Mr. Kohl promised at the time of German unification in 1989.

"My son works as a BMW salesman here, and he drives a BMW because it comes with the job," said Helga, 57, who worked for 14 years at a local bank before being laid off three years ago.

"But he isn't making any money because he can't sell any cars, so he always comes over to our apartment for dinner."

Even some people who have good jobs said they voted against Mr. Kohl.

Andreas Koerner, a mid-level manager at an electronics company near Leipzig,

said he had cast his ballot for the Social Democrats simply because the government, he felt, needed new blood.

"We just have to have some new ideas and more energy," he said as he waited for a train in Leipzig. "I am concerned about business, but my vote was partly out of concern for business. There are a lot of other people who feel that way, too."

The parking areas are jammed with Volkswagens and even a few BMWs. And huge suburban shopping centers are just a 10-minute drive away.

Yet, spiritually and emotionally,

KOREA: Aid Agency Pulls Out of North

Continued from Page 1

retreat from North Korea just weeks after the United States committed itself to increase donations of food to North Korea by 300,000 tons, making the United States by far the biggest international supporter of the program to stop a food crisis that, according to a U.S. congressional delegation's report last month, is killing 300,000 to 800,000

North Koreans a year.

The U.S. decision met opposition from aid officials, who questioned the ability of the World Food Program and the five American charities in North Korea to monitor the food deliveries.

The Tuesday announcement detailed a string of setbacks suffered by one of the world's most respected aid agencies in its attempts to crack North Korea's system and help suffering children.

Aid officials said that, compared with European charities, the Americans had been even less successful in ensuring that the aid was not going to Communist Party loyalists or to the army.

Western aid officials have privately criticized the United States for sending food to North Korea as a vain attempt to ensure that the volatile Communist state would not collapse or undertake military adventures — such as attacking South Korea, where 37,000 U.S. troops currently patrol the demilitarized zone along the North's border.

"It's a bribe, nothing more," said one aid official. "But if you don't insist on better monitoring, very little of the food will go to the needy. It will go to loyal Party people and the army."

Dominique Lafontaine, a French doctor who has been based in North Korea since August 1997, said Doctors Without Borders had fed 14,000 malnourished children in therapeutic centers during his time there.

As they conducted inspections, health officials noticed that some of the children were extremely malnourished while others were relatively healthy. When they asked about the malnourished ones, they determined that they had been collected in "9-27 camps."

The North Korean leader established the camps, aid officials said, as part of a police action to force millions of people who had left their villages in search of food to return to home.

The people are arrested, incarcerated in camps and then sent home, where they are incarcerated again, according to Western aid officials.

"We have asked for access to the places where the children are, but we were refused," Dr. Lafontaine said.

"Local authorities confirmed that there were many homeless and orphaned children but when we asked the central government, they denied that they existed. The plight of these children concerns me deeply."

Officials of the charity said that North Korea needed to allow aid officials to conduct a nutritional survey of

its children throughout the country. A survey begun Sept. 21 by Unicef, the European Union and the World Food Program will not be allowed to enter one-third of the country.

One Western aid official expressed concern that Unicef risked being tricked by the North Koreans into reporting that things were much better than they seemed. "Then they will ensure that the limited aid will go to the right kind of children," he said.

BRIEFLY**West Bank Militant Killed by Car Bomb**

RAMALLAH, West Bank — An Islamic militant was killed and two others seriously wounded on Tuesday when a bomb ripped apart their car in this Palestinian city, security sources said.

The bomb had been placed in the trunk of the car, possibly in preparation for a suicide attack on Israel to coincide with Yom Kippur, the Jewish Day of Atonement, which began at sundown on Tuesday, the sources said.

Weapons were also found in the vehicle, a Volkswagen Golf bearing Israeli license plates that was parked in an industrial zone, the sources said.

The three men were identified by police as Hamas members who had been sought by Palestinian security forces.

Israel security forces have been on high alert because Hamas militants have vowed to avenge the deaths of two senior associates who were slain by Israeli special forces on Sept. 10. (AP)

Israeli Police Clash With Arab Protesters

JERUSALEM — Security forces clashed with Arab protesters in northern Israel on Tuesday during a general strike against land confiscation and alleged police brutality.

Witnesses said paramilitary police fired rubber-coated bullets and tear gas at hundreds of stone-throwers in Umm al-Fahm and Nazareth, the two biggest Arab towns in Israel.

In Umm al-Fahm, President Ezer Weizman met with local officials to try to calm tension before the start on Tuesday evening of Yom Kippur, the holiest day in the Jewish calendar.

The violence of the past few days, in which hundreds have been injured, was the worst in the Arab community in more than 20 years. It erupted in Umm al-Fahm on Sunday after Israeli police evacuated Arabs from tents they pitched in a nearby village on land the army wants to use as a firing range. (Reuters)

Leakey Back on Job At Kenya Wildlife

NAIROBI — Richard Leakey, the Kenyan conservationist, plans to resign as an opposition member of Parliament after being reappointed as director of the Kenya Wildlife Service, his party, Safina, said on Tuesday.

A fierce critic of President Daniel arap Moi, Mr. Leakey said on Friday he had accepted an offer from the president to take back the helm of the financially troubled Wildlife Service, a position he quit in 1994 amid allegations of mismanagement.

Although Mr. Leakey did not match his intention to quit Parliament, the Kenyan Constitution prohibits members of Parliament from holding office in the civil service, a Safina party leader said.

(Reuters)

Raging Fires Snuffed In Brazilian Park

BRASILIA — Firefighters have put out the last flames of raging bush fires that destroyed a large area of a national park in Brasilia, killing wildlife and smothering the Brazilian capital with smoke, an official said.

About 300 firemen and volunteers brought the situation under control Monday in the 74,000-acre (30,000-hectare) Brasilia National Park shortly before heavy rains broke the annual dry season.

Environmentalists for the official Environment

GREENS: A Curvy Trail Led the Party to the Top in Germany

Continued from Page 1

hesitations over any NATO military action in Kosovo, resolute opposition to imports of American foods that have been genetically modified — rather than any serious confrontation with the Greens.

Sensing the unease over the unpredictability they have shown this year, the Greens announced Tuesday a reorganization of the party aimed at wresting some power from local organizations and increasing centralized control.

In the past, such moves have been resisted, because they smacked of excessive hierarchy.

Even the term "leader" has been shunned because it was a far cry from the sandal-wearing spontaneity of the party's birth.

"We want to carry out structural reforms that will lead to a truly federal party," Heide Ruehle, the party manager, said in a radio interview. "At the moment we are a kind of loose collective of very strong local groups with their own rules and funding, who have pushed the central party around a bit."

Up to now, about 80 percent of the party's funding has gone to local state units of the Greens and only 20 percent to the central organization. As a result, Mr. Handel said, the party had little central control

INTERNATIONAL

ANWAR:
Bruised, He Denies Guilt

Continued from Page 1

it, because it's happened before—but never to a deputy prime minister," said Ruslan Sani, a commentator and deputy president of the Malaysian Social Science Association. "I think people are angry, but not surprised." He said the credibility of the judicial system had now become an issue for the reform movement.

Mr. Anwar's beating is also sure to ignite international outrage, as he has a wide network of friends and allies abroad, including Defense Secretary William Cohen, who is a close personal friend, and President BJ Habibie of Indonesia. Leaders from Asian and Pacific countries, including President Bill Clinton, are scheduled to come here in November for the annual meeting of the Asia-Pacific Economic Cooperation forum, but many here say using Kuala Lumpur as a venue could now prove embarrassing.

There was little evidence Tuesday of a public reaction, as a massive police presence—including specially trained troops with automatic assault rifles slung over their shoulders—threw up a tight cordon around the courthouse area and prevented even pedestrians on their lunch breaks from walking near the building where Mr. Anwar was being formally charged. Hundreds of Anwar supporters did try to gather intermittently, but they were quickly dispersed by red-helmeted policemen with batons and plastic shields.

During the hearing, the equivalent of an arraignment, Mr. Anwar told the judge of a severe beating he suffered on the first night of his detention, Sept. 20, while he was handcuffed and blindfolded. At one point he pushed back the sleeve of his blue-and-white checkered shirt to show more bruises on his arm. He also tugged at



Azizah Ismail, the wife of Anwar Ibrahim, entering court Tuesday in Kuala Lumpur with a daughter, Nurul Izzah, 18, to hear the charges brought against her husband.

his trousers and made a motion with his hand to his mouth to show reporters that he was not eating well and was losing weight.

"I was boxed very hard on my head and lower jaw and left eye," Mr. Anwar was quoted as telling the presiding judge, according to witnesses. "I was slapped very hard, left and right, until blood came out from my nose and my lips cracked. Because of this, I could not see or walk properly."

Mr. Anwar said he was kept in solitary confinement for five days after the beating, and during that time the police refused his repeated demands that he be allowed to see a doctor, even though his vision was blurred, his balance was impaired, and he was having trouble using his bruised arm.

The beating, he said, was "a clear message to behave after that."

Mr. Anwar's wife, Azizah Ismail, an ophthalmologist, sat behind her husband in the courtroom and at one point gave him a rudimentary eye test, having him close one eye, then the other, while she examined for damage. Two of their five daughters also sat with her, weeping during much of the proceedings, and he turned to them, made a fist, and told them, "Pray, I'm a fighter. I'm innocent."

Mr. Anwar appeared in high spirits and defiant, according to a witness who was inside the courtroom, which was packed with about 80 people, including a few reporters. He joked with his wife behind him, made eye contact and gave hand motions to send messages to the press, and he rolled his eyes sarcastically and shook his head when prosecutors hurled charges at him.

Later, Miss Azizah was allowed to visit her husband in jail, where she was hoping he could receive outside medical attention.

IMF: G-7 Nations Offer Conflicting Ideas for Reshaping World's Economic System

Continued from Page 1

Britain to re-examine the role of the World Bank and IMF and consider a partial merger of the two Bretton Woods organizations.

A preference by the United States for a more gradual approach to reshaping the architecture of the global financial system that avoids most of the above proposals, which the Clinton administration deems unwieldy and unworkable.

The proposals for reform offered last week by Mr. Blair, including a suggestion that the IMF and World Bank might be partially merged, are being dismissed by many private sector experts and international financial officials as lacking in detail and substance.

France, meanwhile, is spearheading a campaign that would reinforce the power of Michel Camdessus, the IMF's French-born managing director. Mr. Camdessus has been heavily criticized by members of the U.S. Congress, by private sector economists and bankers, and by some G-7 officials for having failed to apply flexible solutions to troubled Asian economies and for having been unable to stanch the Asian contagion as it spread from the region to Russia and Latin America.

"It is always easy to say the IMF made mistakes," said France's finance minister, Dominique Strauss-Kahn. "But the problem is not really mistakes by the IMF but the fact that it is not politically authoritative enough. I think we need to implement a genuine political governance of the IMF."

In an interview, Mr. Strauss-Kahn argued for the IMF's 24-member Interim Committee to be transformed into a formal council that would hold regular meetings of finance ministers and en-

able IMF decisions "to give more importance to the political side."

Mr. Strauss-Kahn also criticized the U.S. initiative that has brought together the G-7 plus 15 other emerging economies in an ad hoc group—dubbed the G-22—that is working on international financial reforms.

"I can understand that our American friends want the IMF to go on as before," Mr. Strauss-Kahn said, "but a lot of countries are not represented in the G-22."

A U.S. official on Tuesday dismissed the French proposal, saying it was merely a mask for Mr. Camdessus, "who wants everything done inside the IMF and is worried about losing control."

When asked about the notion of transforming the Interim Committee into an executive council that holds regular minister-level meetings, the U.S. official said: "Fat chance of that happening," and he noted that Washington had enough votes to veto such a proposal at the IMF.

Mr. Strauss-Kahn's other key proposal, which is part of a 12-point French plan, is to improve international coordination on exchange rates by recommending that other parts of the world imitate European monetary union on a regional basis.

"The experience we have in Europe on EMU is probably an experience that can be used to help limit exchange rate fluctuation," he said, adding, "There may be a role for currency blocks or monetary unions on a regional basis, modeled on EMU."

The German proposal for targeting exchange rates, while dismissed by some international financial officials as unworkable, was also attacked on Tuesday by a Bundesbank council member, Franz-Christoph Zeitzer, who told Reuters that calls for

reform had enough votes to veto such a proposal at the IMF.

Continued from Page 1

debt-servicing costs, but would not be enough to attract fresh capital flows to hard-hit economies.

Unless structural changes are pursued more aggressively—including the radical revision of banking and supervisory systems, the recession gripping East Asia will not end soon, the report said.

The task ahead is enormous, said Jean-Michel Severino, the World Bank vice president for the East Asia and Pacific region. Virtually all of the countries in East Asia are transforming the old ways of conducting their business and politics.

The report, while suggesting that restructuring could produce signs of economic recovery in 1999, noted that "the fires of instability are almost contained in some countries, but are far from being under control in the region as a whole."

Not only could these fires "erupt anew," said the World Bank, "they still threaten to sweep into other emerging markets."

According to the report, Indonesia's economy will be hardest hit by the crisis, shrinking 1.6 percent by the end of 1998. Thailand will contract by 7.9 percent, followed by South Korea and Malaysia, contracting 4.7 percent and 3.4 percent respectively, according to the study.

ASIA: A Call for Lower Rates

Continued from Page 1

Recovery from the recession, the report said, "will take longer in East Asia than in Mexico and Argentina after their 1994-95 crisis because of the problem of corporate and bank insolvency, and because of the regional scope of recession, including Japan."

The recovery of the region will also hinge on the soundness of the U.S. and European economies and their ability to buy imports, the report said.

The report concluded that at this stage in the crisis, three facts emerge with stark clarity:

• The level of devastation, in terms of loss of wealth, loss of economic output and peoples' lives, is severe. Tens of millions of people are likely to be pushed below the poverty line.

• The crisis has taken on systemic proportions in Thailand, Korea, Indonesia and Malaysia, with many banks and firms forced into bankruptcy and many more hovering on the brink.

• The region-wide recession will make it difficult for any single country, no matter how effective its policy, to escape "the pressure of downward forces" on its own.

These events, said the World Bank, left unchecked, "threaten to engulf the whole of East Asia" and could imperil the expansion of the world economy.

ARAFAT: Palestinian Agrees to Idea on West Bank

Continued from Page 1

concession by Israel. Mr. Netanyahu had said Israel could not give up more than 5 percent of the West Bank territory for the land would be used as a base for terrorist attacks.

Mr. Arafat, on the other hand, was reportedly under pressure from other leading Palestinians to reject the offer as inadequate.

Israel's withdrawal from the additional 13 percent of occupied land would give the Palestinians control of 40 percent of the West Bank, an area where all but 2 percent of the Palestinian population resides.

Mr. Clinton, who had announced on Monday a significant narrowing of the gaps between the two parties, is clearly eager for a political boost from brokering an end to the 18-month impasse in the Middle East peace talks.

The summit meeting will come just weeks before the Nov. 3 elections.

He ordered Secretary of State Madeleine Albright and the special Mideast envoy, Dennis Ross, to fly to Israel next week to help lay the groundwork for the Washington meeting.

U.S. mediators will now concentrate on extracting security concessions from Mr. Arafat that Mr. Netanyahu can accept.

The Israeli prime minister has faced heavy pressure from conservatives bitterly opposed to surrendering land.

Michael McCurry, the White House spokesman, said that Mr. Clinton was "determined to see an agreement arise" from the U.S. diplomatic efforts.

A U.S. official told The Associated Press that Mr. Arafat and Mr. Netanyahu had committed themselves to move on after the October meeting to negotiations on a final settlement.

Mr. McCurry said that "difficult negoti-

ations" lay ahead. He said Mr. Clinton would be "directly involved in some way, shape or form."

He indicated, however, that the approach taken in 1978 by President Jimmy Carter — when he kept President Hosni Mubarak of Egypt and Prime Minister Menachem Begin of Israel together at the Camp David presidential retreat for a marathon session until agreement was reached — was unlikely to serve as a model.

White House aides said it was possible that the talks would be held at the retreat in the Maryland mountains but that it appeared unlikely.

Should an agreement be signed, it would mark the beginning of an even more arduous process, aimed at reaching a final peace settlement between the Israelis and Palestinians.

Among the thornier issues to be resolved would be the final status of Jerusalem, which is claimed by both sides.

Under earlier accords, Israel had agreed to withdraw from 27 percent of the West Bank land it occupied in the 1967 war.

But the withdrawal was postponed after Palestinians said it was too small. The talks now underway would very likely combine the two withdrawals, with a third to be negotiated in the final-status talks.

Earlier, Mr. Arafat addressed the UN General Assembly. He called on the body, which is broadly supportive of his cause, to support a Palestinian state.

Yet, he bowed to U.S. wishes — a White House official said Mr. Arafat reviewed his speech Monday with Mr. Clinton — and dropped a threat in a draft of his speech to declare a Palestinian state if the negotiations with Israel went beyond the May 4 deadline set by the Oslo accord.

Mr. Netanyahu was eager to prevent such a unilateral announcement by Mr. Arafat.

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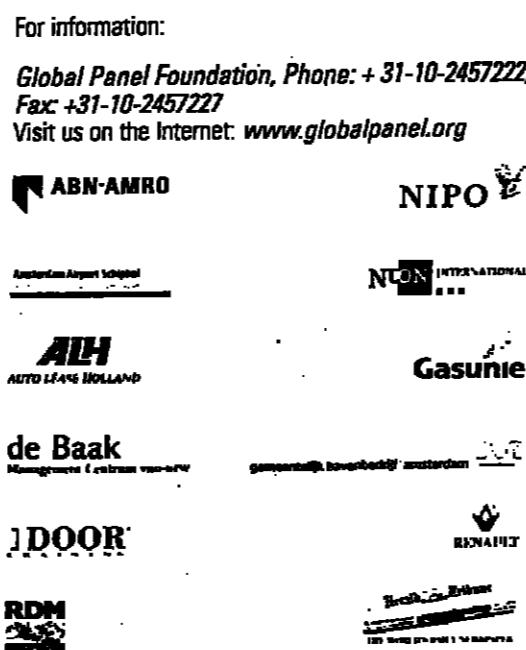
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EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Germany Turns the Page**A New Generation**

A German politician once said of Helmut Kohl that if he had been the Titanic, the iceberg would have sunk. So it seemed for 16 years, as Mr. Kohl barreled over one opponent after another to lead Germany for longer than any man since Otto von Bismarck a century ago. But the Kohl winning streak was broken on Sunday, and with it ended one of the most eventful and fateful periods in postwar German and European history.

Chancellor Kohl deftly directed the peaceful reunification of Germany, helped fashion the political architecture for a united Europe and led the way to economic cooperation on the Continent and the adoption of a common currency. In Germany itself he instilled a sense of confidence and accomplishment that helped overcome the burden of Germany's role in World War II and the Holocaust.

German unification was Mr. Kohl's singular achievement, even if it turned out to be one of the causes of his defeat. It is easy now to look back on the absorption of East Germany as a smooth, peaceful process. But, as the Berlin Wall fell and the Cold War ended in the late 1980s, reunification seemed fraught with peril for Germany and for Europe. With the assistance of Mikhail Gorbachev in Moscow and George Bush in Washington, Mr. Kohl reunited the two Germanys democratically and made his country the anchor of peace and prosperity in Europe.

The financial cost of propping up

eastern Germany was far greater than Mr. Kohl expected, and the sluggish growth and high unemployment it produced in recent years fanned dissatisfaction with him. But, after four terms, Mr. Kohl, who is 68, was defeated less by specific complaints than by a desire for new, younger leadership.

Mr. Kohl's departure portends no great change in Germany's relations with Europe, the United States and the rest of the world. It may not even mean much alteration in domestic policy, although power will now pass to a more left-leaning government led by Gerhard Schroeder and the Social Democratic Party. A radical student leader in the 1960s, Mr. Schroeder, who is 54, long ago found his place in the German mainstream and campaigned as a pragmatic centrist.

His biggest challenge will be to deal with the economic drag produced by generous social welfare programs. Mr. Kohl tinkered with the system by curtailing a few benefits. Mr. Schroeder showed no inclination during the campaign to reform the long annual vacations, extended sick leave and other programs that Germans consider to be their birthright. Mr. Schroeder also ought to make Germany's immigrants feel more welcome and make it easier for them to become citizens, an area in which Mr. Kohl often played to nationalistic sentiments.

Political and financial power in Germany is passing to a new generation. Its results will be measured against the Kohl legacy.

—THE NEW YORK TIMES.

Inherited Burdens

Helmut Kohl had roughly the same chance that Margaret Thatcher and her successor John Major had to modernize his country's economic and social base. The German chancellor chose instead to focus on the unique international circumstances that arose soon after he took power in 1982. Thus did he win acclaim as a statesman for leading his country free, democratic, prosperous and whole out of the Cold War. He also left to his successor — Gerhard Schroeder, who bested him at the polls on Sunday — the task of bringing the German social order into the 21st century.

It may be true that the Cold War was going to end anyway, thanks to the currents of history and policy being managed at a higher level by Mikhail Gorbachev and George Bush. Mr. Kohl had deepened postwar Germany's signature effort to anchor his country in democratic Europe, the better to make its eventual reunification feasible. When the moment suddenly came, he was there to ensure that a

—THE WASHINGTON POST

Mideast Diplomacy

After more than a year of slumber, the Middle East peace effort is stirring. Benjamin Netanyahu and Yasser Arafat are talking with one another again, and on Monday President Bill Clinton invited them to Washington next month for intensive talks to complete a long-stalled round of negotiations with his assistance. With time rapidly running out on the negotiating clock established under the Oslo accords, the two sides can afford no further delay.

Thanks to Palestinian terrorism and Israeli intransigence, the Oslo timetable calling for completion of a comprehensive peace agreement by May 1999 has been all but obliterated. By now Israel and the Palestinians should have been far along in the final-status talks about such difficult issues as the shape and status of a Palestinian state and the future of Jerusalem. Instead they are still arguing over the terms of the next partial Israeli withdrawal from the West Bank, an issue that was supposed to be resolved more than a year ago.

Monday's White House meeting between Mr. Netanyahu and Mr. Arafat was an encouraging sign that the obstacles are diminishing, even if the Middle East leaders stood gruffly at Mr. Clinton's side during a brief encounter with reporters. The two men now agree in principle on an American proposal for Israel to pull its military forces back from an additional 13 percent of the West Bank, including a 3 percent piece that would be classified as a nature preserve to prevent Palestinian settlement. The Palestinians already control 27 percent of the West Bank.

Because the withdrawal is entangled with other issues, including security

—THE NEW YORK TIMES

Other Comment

The Left Runs Europe

The traditional constraint on a left-wing government is international competition. But when the whole European Union is run by the left, problems can be sidestepped through common employment rights and pan-European taxation. The victory of the German left will surely lead to a new burst of harmonization — just when the world economy is at its least indulgent. Tony Blair has always said he opposes such integration. Now comes the test.

—The Daily Telegraph (London).

Signs of a Global Decline in American Influence

By Philip Bowring

LONDON — It is said that U.S. leadership has been seriously eroded by the travails of Bill Clinton. Time, reputation and political capital have been consumed to the detriment of America overseas. But it is too easy to ascribe the erosion of U.S. power to this cause.

The high-water mark of U.S. global political and economic influence in the post-Soviet era had already been reached. The limitations of being the only superpower in a multipolar world are ever more apparent.

In the Middle East, the U.S. role remains stymied by a lack of political will to pressure Israel, as well as by the Arabs' loss of oil as an effective weapon to pressure the West. The anti-Saddam coalition has been eroded by time and weariness and by the Palestinian stalemate.

The demonization of Iran has long been worse than counterproductive — it helped incubate the Taliban. New axes are forming — for example, between Turkey and Israel — which are not against American interests but are a symptom of the new complexity of international affairs and hence of the difficulty for the United States decisively to impose its influence.

China provides a vivid example. The rapprochement with Beijing can be seen, with justification, as a major achievement of the Clinton administration. But it has been at the expense of relationships with Japan and India, and

of those countries' relations with China. And it has contributed to undermining another key U.S. policy, the desirable but probably unrealistic goal of nuclear nonproliferation.

American help and advice and hope that Russia would move to become a Western-style capitalist democracy — at least on post-Communist Polish, if not American, lines — have been dashed. Whatever happens now, the peak of Western influence has passed. Russians grope for a way out of their mess, which could involve a reassertion of some Soviet-era foreign policy goals.

The United States is not to blame for the failures of reform in Russia, but its influence has been reduced as a result.

On the economic front, U.S.-inspired free market policies are under attack as a result of the excesses of financial markets and the herd mentality of Western (especially European) bankers. The American economy itself, from which so much of U.S. influence has emanated, is looking increasingly like much of Asia did two years ago — asset price booms fuelled by excessive optimism, new "paradigms of growth," heavy capital inflow and a surge in bank lending against financial assets.

It seems unlikely that U.S. growth can survive. A collapse in nonfinancial profits is under way as pricing power is eroded by Asian imports. This will probably lead to a fall in investment. With consumer debt very high and household savings very low, only a surge in wages or a continued share price boom creating a positive wealth effect can now sustain consumer optimism.

The United States cannot much longer maintain its role of global growth engine. Its ability to offer open market solutions to global problems is being eroded by the sheer size of its trade deficits.

Whether Europe and Japan can be substitutes is debatable. But a weaker U.S. economy and a weaker dollar will reduce U.S. influence at the time of the birth of the euro.

In its desire to get the euro off to a strong start, Europe seems set to ignore global needs for lower interest rates, meanwhile undermining the position of the dollar. In Asia, old relationships with the dollar have collapsed because of dollar strength but may now be replaced with arrangements which attach importance to the euro and the yen.

Alan Greenspan and Robert Rubin remain the key figures in holding the financial system together at a time of global crisis. But U.S. influence for stability is dangerously undermined by congressional aversion to the IMF and the World Bank.

The IMF has made serious policy errors in addressing the Asian crisis, and will never have the capacity to be global

lender of last resort. But large injections of money are needed at multinational and national central bank levels if Asian and Russian corporate and banking failures are not to be passed on to the West through a collapse of lending due to contraction of the capital bases of Western banks. It remains to be seen whether the U.S. political system can deliver what is needed to sustain a U.S.-led financial system.

None of this is to welcome a decline in U.S. influence. Quite the opposite. Europe has shown scant ability to act decisively even on issues (Bosnia, Kosovo) in its own backyard; obsessed with the euro launch, it is still in denial of the global financial crisis. Asia has a mass of fault lines that have been kept stable partly by U.S. military and commercial and cultural influence, but desire for U.S. influence does not create capacity for it.

The difficulty for the United States now lies in recognizing that its influence has peaked, without giving way to age-old isolationist instincts. Some already see media and congressional obsession with President Clinton's sex life, to the detriment of America's global interests, as illustrating a new strain of isolationism. That may be far-fetched. But do not expect resolution of the Lewinsky affair, or a new president, to reverse the erosion of U.S. influence that is under way.

International Herald Tribune

Of Butterflies, Earthquakes and the Return to Keynes

By Gregory Clark

TOKYO — Chaos theorists liked to speculate how a butterfly flapping its wings in Beijing might trigger an earthquake in Peru. They don't have to speculate any more.

That move against the Thai baht in Bangkok last year triggered economic earthquakes first in Asia, then in Eastern Europe, then in Latin America (including Peru) and now threatening capitalist basements in the West.

Now we are told that if Brazil abandons its dollar peg in order to control currency outflow, the Hong Kong dollar is threatened, which in turn could force Beijing to devalue the yuan, which would trigger yet another bout of Asian and world economic unrest. Those butterflies seem to be working overtime.

At the heart of the global economy lies a little-realized contradiction. In our domestic economies we take it for granted that Mr. Kohl helped postwar Germany to become.

—THE WASHINGTON POST

anti-monopoly laws, strict inspections of bank lending, central banks to control interest rates or money supply, some protection for domestic producers, and so on. But the moment anyone suggests similar controls for the international economy, the pundits cry foul.

Yet, as some are now coming to realize, it is here that the controls are most needed.

Ideological factors are behind much of the anti-control dogmatism. In reaction to communism and the beggar-my-neighbor protectionism of the prewar and immediate postwar years, pundits embraced the mantras of unrestrained laissez-faire, free trade and free markets. Like most doctrinal reactions, that was an overreaction.

At home, many governments have been forced by reality to accept that areas of the economy still need controls. But in the

international economy the laissez-faire dogmas still reign supreme. Only in a crisis do some begin to realize that controls are needed, which can then easily destabilize other economies.

Another factor at work is intense informationization. The media, the Internet, 24-hour news commentary, hedge funds, investment clubs — it all means not just instant but snowballing information.

A morning drop in Japan's Nikkei stock index triggers drops in Asian markets further west, which push the Nikkei index further down by the afternoon of the same day, which then pushes down world markets overnight.

Free market theory depended very much on self-correcting trends in economies, as opposed to the Keynesian theories that it tried to replace, which assumed destabilizing trends, needing

government intervention. But information kills the self-corrections. In today's world, it is quite likely that even Keynesian theory underestimated the destabilizing multipliers unleashed by information flows.

It used to be that a dollar spent or not spent by a firm or person, for example, was supposed to encourage three or four other related firms or people to spend or not spend. Information flows today create a much wider environment of spending or not spending. The multiplier effects are greatly magnified.

This is particularly true for Japan, where economic trends have long been exaggerated, both up and down, by copycat consumers and investors. Today even unbelievably low interest rates and land prices seem unable to shake the pessimism caused by the constant barrage of bad news.

In the West we are beginning to see the same emotional

factors at work. The computer revolution explains some of the astonishing anomalies in the U.S. and European economies in this decade, but not all.

Massive feel-good factors spread largely by the media are also involved, just as feel-bad factors exaggerated the slumps of the previous decade and will no doubt exaggerate the next round of slump.

A change in doctrines is needed. The free market pundits predicted the failure of Malaysian and Hong Kong government intervention to defend currency and stock markets. But both states have already seen turnarounds for the better. Even the pundits now seem reconciled to Moscow's rejection of Western-imposed laissez-faire.

Today, not just markets but also out-of-control psychologies need attention. The case for old-fashioned Keynesian intervention is stronger than ever.

International Herald Tribune

Impeachment of Clinton Would Be Wrong for America

By Flora Lewis

PARIS — The issue is no longer Bill Clinton's behavior and evident character flaws. It is about governance and constitutional precedent, not so much the president but the presidency. In what circumstances is the duly registered decision of the electorate to be set aside, invoking the provision for his removal from office?

The paralysis of the White House sex-and-lies scandal is striking not only the United States but all the countries affected by its role in the world.

It is not surprising that in France, where unsanctioned sex is no scandal, President Jacques Chirac said: "At a time when the world is confronted with serious political and financial uncertainty, it is essential for all of us that the president of the United States be able to carry out his speech fully." German

attempts to avoid admitting them in public, would be a big step toward changing the whole system and opening it to further, more arbitrary reasons for overthrowing an election.

The American system, unlike that of parliamentary countries, relies on fixed election dates that cannot be changed. No lack of confidence can unseat the chosen leader, and if he dies or is unable to continue, there is a clear list of succession determined by the previous election. Recourse is to be found in the next election.

Of course, it is dismaying to find that a president does not live up to the higher than average standards that the country would like to see in its chief representative. Whether people approve of him or not, they want

a president they can respect.

America has had some dreadful presidents, incompetent, dishonest, and the system has survived them because the formal, official decision of the voters is not taken lightly. Mr. Clinton has irreparably tarnished himself, but he is by no means one of the worst.

His difficulty in telling the truth about himself was already on display in his first presidential campaign, and he has not improved. His decision to defend himself with semantic arguments is more of the same, on a level with the lawless details of the independent prosecutor's report of his dalliance in the corridors of power.

There is something sophomoric about it, a contrast with the energy and earnestness that he brings to public issues like education, health, the budget, foreign affairs. If that becomes a reason to get rid of him, what kind of personal failing or unpopularity might the precedent be enlarged to justify the next time around?

There is a strong undertone of revenge from the right for the ouster of Richard Nixon in this case. The comparison is unwarranted because this is not about the exercise of public power entrusted to the highest office. It is about the sort of man Mr. Clinton is, still a kind of defiant baby boomer when much of the country

wants to swing back from the excesses of the counterculture.

He apparently cannot change that part of himself. Too bad for him, but it does not make him a danger to the national well-being. The danger comes if he is rendered incapable of doing the part of his job that he can do. Americans cannot expect to be performance in office.

In a way, the whole issue and its salacious insistence public airing is in tune with the violence and sex that have come to dominate entertainment. What are we looking for, what do we reward? The outpouring of admiration for the baseball star Mark McGuire shows how much the country yearns for a hero who epitomizes hard work and skill. But it is not likely to get politicians with the traits it seeks if they risk exposure and disgrace for private habits.

Let Congress vote a reprimand, and whatever it needs to get out of the way. It is not a matter of forgiving Mr. Clinton; he demeaned himself. It is a matter of whether, in the desire to punish him, the country and indeed the rest of the world should be punished by distorting or incapacitating the U.S. political system.

Flora Lewis

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: The Queen Dies**

COPENHAGEN — The Queen of Denmark died this morning [Sept. 29]. At Her Majesty's bedside were the King, the Dowager Empress of Russia, King and Queen of Greece. The end was peaceful. The bed was strewn with flowers. The King, who was greatly exhausted by grief, retired to rest shortly after the Queen passed away.

1948: Equal Facilities

OKLAHOMA CITY, Okla. — The racial-segregation restrictions at the University of Oklahoma were ruled unconstitutional by a special Federal court here. The court handed down its decision in a suit brought by G. W. McLaurin, retired member of the Langston Negro University faculty, who tried to obtain admission to the state university. University officials conceded that Mr. McLaurin's race was the only barrier. The court held that the state was under Constitutional obligation to provide Mr. McLaurin with educational facilities equal to those enjoyed by other students.

1923: League's Treaty

GENEVA — The Assembly of the League of Nations, whose fourth annual session ended, approved the proposed treaty of mutual guarantees against aggression as a draft to be submitted to the various governments. M. Benes (Czechoslovakia) and Lord Cecil contended that it will serve as the basis for the reduction of European armaments. An allusion to the absence of America was

the contrast between the qualities of the public man and the immaturity of the private man is simply too great. It is not possible to emphasize his governmental record and dismiss as irrelevant his private limitations. The latter have got in the way of the former and jeopardize his ability to govern.

The progress of modernity through the Internet has brought us back to the time of ancient Greek democracy, when the issue of character was at the forefront of politics. The majority of the American people are not behind Kenneth Starr, but neither are they particularly proud of the behavior of their president.

The writer is deputy director of the Institut

OPINION/LETTERS

If Clinton Goes, the Coup Will Be Christian Right's

By Anthony Lewis

BOSTON — One political force is more determined than any other to drive President Bill Clinton from office for his behavior, and the same force would be the big political gainer if he is removed. That is the Christian right.

Elizabeth Drew, writing in The Washington Post last week, said that the president "will be impeached." One reason, she said, is that "the ever-stronger Republican base, the Christian right, demands that it happen, and few Republicans will risk crossing them. This is more important to most Republicans than the president's job approval ratings."

Impeachment needs only a simple majority in the House of Representatives. Conviction in the Senate, requiring a two-thirds vote, is much less likely.

But even impeachment, the course on which House Republicans seem to be set, would have enormous consequences for American politics.

The Christian Coalition and other religious conservatives would become still more influential in the Republican Party. In recent years they have had a disproportionate voice in the writing of the party platform and in presidential primaries. In 2000 they might well control the choice of the nominee.

George W. Bush, the centrist governor of Texas whom many regard as the front-runner for 2000, said the other day that seeing Washington in its uproar over Monica Lewinsky made him wonder about running for president. In any event, he could have trouble winning the nomination in a convention dominated by the right, whatever his poll numbers.

The shift to the right would be just as consequential in congressional policy terms.

The social issues that mean so much to religious conservatives — the issues that President Ronald Reagan pushed aside to concentrate on economic policy — would come to the fore.

Abortion would be targeted for a range of new restrictions, including even a constitutional amendment to outlaw it. And concern with sexual matters would not be likely to stop there. There would be legislation to limit U.S. help for population control efforts around the world. Federal reg-

ulations to give equal treatment to homosexuals would be another target. The law forbidding grants to "indecent" art could be expanded to other fields.

Criminal law is another possible area for punitive moralism. House Republicans have already acted under cover of the Lewinsky turmoil to try to sneak a harsh new measure on juvenile crime onto the statute books. They have attached to a noncontroversial bill a rider requiring the states, among other things, to put more children in prison with adult criminals.

If you think about all those things, it is clear that there is an effort underway to bring about a fundamental change in the political direction of the United States, effectively changing the results of the last two national elections. It would be a coup d'état.

Long before Linda Tripp gave her tapes to Kenneth Starr, there really was a rightist conspiracy of sorts to bring down this president. Richard Mellon Scaife gave The American Spectator millions of dollars for its Arkansas Project to find dirt on Bill Clinton. Crazies spread tales that he was involved in murder and drug-smuggling. Conservative groups financed Paula Jones's lawsuit against the president. (Her lawyers hired as investigators members of a Texas church that tried to remove "Moby Dick" and "To Kill A Mockingbird" from the local high school reading list.)

It was Mr. Clinton's arrogant folly that opened the way for the religious right and others long frustrated in their desire to destroy him. And they are dead serious in their determination to exploit the opportunity he gave them.

The outside world looks with astonishment at what is happening here. A columnist of the Financial Times of London, Philip Stevens, wrote: "As the days pass, the position that the most powerful nation on earth could sacrifice its leader to lies about his sex life becomes ever more eccentric."

Many Americans who do not agree with the religious right — who want America to remain an open and tolerant society — are unhappy about Mr. Clinton's conduct. But as we consider how to deal with it, we have to be aware of the political consequences.

The New York Times.

BOOKS

SIR VIDIA'S SHADOW

A Friendship Across Five Continents
By Paul Theroux. 358 pages.
\$25. Houghton Mifflin.

Reviewed by Michiko Kakutani

THE writers V.S. Naipaul and Paul Theroux had a long, mutually sustaining friendship that began in 1966 in Uganda and ended three decades later in London, when Naipaul (apparently angered by an exchange between his new wife and Theroux) reportedly snubbed Theroux in the street, coldly telling him to "take it on the chin and move on."

Theroux's reaction to the end of a 31-year friendship was peculiar to say the least: Within minutes he began thinking about writing a book about his former mentor and friend. He had long wanted to write such a book, he recalls, but "it was impossible" because "friendship had its rules." Naipaul's snub, he argues, changed all that: "I was dazed, because I was liberated at last," he writes. "I saw how the end of a friendship was the start of an understanding. He

had made me his by choosing me; his rejection of me meant I was on my own, out of his shadow. He had freed me, he had opened my eyes, he had given me a subject."

The resulting book, "Sir Vidia's Shadow," which has already provoked considerable controversy in the literary world, is part memoir, part biographical sketch, part effort to settle scores — a book, in essence, that tries to do to Naipaul what Hemingway's mean-spirited "Moveable Feast" did to Fitzgerald.

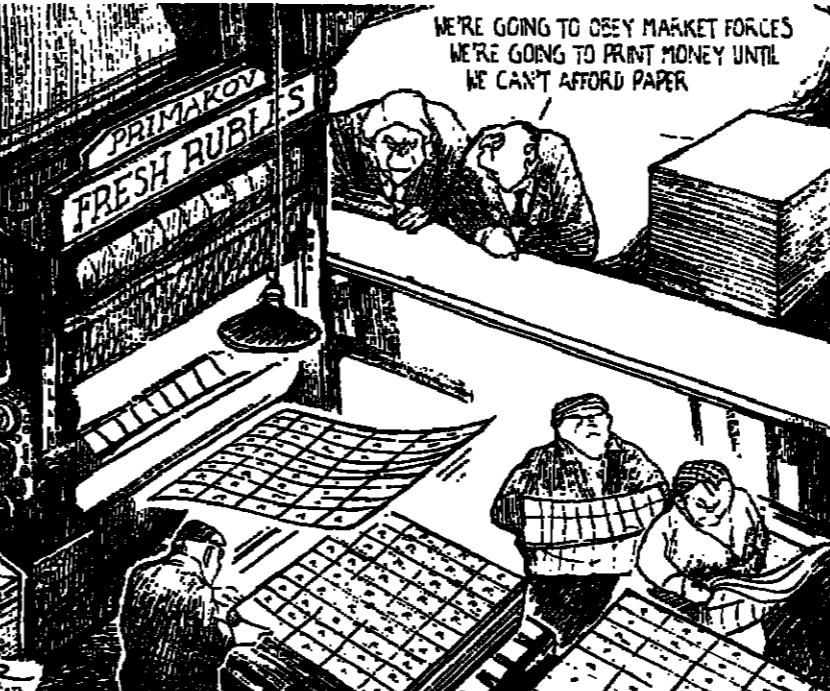
Although "Shadow" begins evanescentially enough, it finishes by creating an acidic portrait of Naipaul as a bitter, selfish man — occasionally generous and entertaining but more often cruel, dismissive, bigoted, misogynistic, snobbish, arrogant and cheap. At the same time, it is a book that unwittingly leaves the reader with a picture of Theroux as a vindictive younger writer who evolved from a worshipful apprentice to resentful colleague, a writer who came to see Naipaul patronizingly as "weaker and needier" than himself.

When the two met in 1966, Theroux was a 25-year-old American teaching in Uganda; Naipaul was a 34-year-old author who had already achieved a modicum of renown. Theroux, who desperately hoped to become a writer himself, wanted Naipaul for a friend, and he soon became the novelist's interpreter and guide. Naipaul, in turn, encouraged Theroux's efforts to write, and over the years he gave Theroux what amounted to a correspondence course in creative writing.

"It mattered to me that he took me seriously, that he treated me like a fellow writer," Theroux writes. "No one else did, but that did not matter, because I had him."

These early pages in "Shadow," chronicling Theroux's apprenticeship as a writer and his experiences in Africa, reveal the fierce gifts of observation that animates his finest travel books, and they also possess an energy and density of description missing in his more recent novels like "O-Zone" and "Chicago Loop." The mood, sound and feel of Africa in the 1960s are palpably evoked, and the people Theroux meets there are conjured up with a lively combination of journalistic detail and Dickensian ardor.

As for Naipaul, he emerges in these earlier portions of "Shadow" as both an immensely difficult man — demanding, impatient and petty — and an immensely talented writer, dedicated to his craft and "passionate in his convictions." He strides through Kampala with "an inspector's gait." Theroux recalls, pronouncing, "We've done the market." "We've done the park." "We've done the museum." He dismisses most of the whites he meets there as "infies" — that is, common, inferior sorts — and he grandly predicts that as



LETTERS TO THE EDITOR

First Thing for Africa

Regarding "Africa Is Missing Out on a Revolution" (Opinion, Sept. 24):

African societies have certainly suffered from neglect and even malevolence by the international community, not to mention their own leaders. Yet it is notorious to single out a lack of computers and Internet access on the long list of priorities facing most African peoples.

Ethan B. Kapstein and Thomas A. Marten correctly emphasize the important role that freedom of information plays in the construction of democratic and prosperous societies. The role of the Internet, however, must be considered in context in much of the developing world. Food and medicine are basic materials, as are schools and hospitals with electricity and potable water.

Africa must and will join the information age. It is nevertheless myopic to impose the economic model of postindustrial societies on communities with vastly different backgrounds. Most African peoples face a very different set of challenges.

Africa is indeed in need of a revolution — a sea change in the way economies are managed and how incomes are distributed.

Africa's unfortunate history of inept and corrupt leadership has af-

fected all avenues of development, from education and medicine to industry, agriculture and the environment. Start with books and shoes, and computers will follow in good time.

Dr. JAMES S. ALBERT
Dr. MILANGA MWANATAMBWE
Tokyo

Dr. MYUMBE TAMFUM
Kinshasa, Congo

Too Many Cooks

Regarding "Rushdie Edict Stands, Iran Says" (Sept. 28):

First he screwed up in India, then with Israel, and now with Iran. Will Foreign Secretary Robin Cook of Britain now make the worldwide cover of The Economist as the "British Serial Bungler"?

MLADEN ANDRIJASEVIC
Beersheba, Israel

Hedge Hog

Regarding the editorial "Never Too Big to Fall" (Sept. 26):

The plight of John Meriwether, until recently head of Long-Term Capital Management and described as a former "genius" of bonds and hedge funds, reminds me of a remark about the 1929 crash defining "economic genius" as a "short memory and a rising market."

Isn't the hedge fund's ease at raising \$20 for every \$1 of col-

lateral similar, but on a huge scale, to the little man's margin buying that helped bring about 1929?

FREDERICK S. WILDMAN
Colebrook, Connecticut

Subscribers to the Long-Term Capital Management fund engaged in speculation in its purest form. It is regrettable that your article ("Hedge Fund Meltdown: A Saga of Bad Bets and Jittery Markets," Sept. 26) refers to them as "investors."

PETRA OSINSKI
Dhaka, Bangladesh

Bloated Money

Regarding "In Siberia, Lebed Attempts to Make Inflation Illegal" (Sept. 24):

It is the expansion of currency by the money-issuing monopoly — always the political state — that requires people to raise prices, and not the raising of prices that causes inflation. When a currency is debased by the state, producers and service providers raise prices to compensate for the fact that money is relatively less valuable.

Money is a commodity, the same as steel or hamburgers. You flood the market with them, and they becomes less valuable.

WILLIAM W. MORGAN
Hanoi

White House Sex Kitten Wasn't Just Purring

By Mary McGrory

WASHINGTON — On May 24, 1997, which Monica Lewinsky called "Dump Day," Bill Clinton announced the end of their affair. She wept and told him that presidents in the "past" needed girlfriends."

Not girls like Monica, they didn't. At first, yes, she had seemed like the answer to a wench's prayer. She offered on-the-premises, no-argument, special-tastes-accommodated sex. But her transformation from kitten to hellcat had to be one of the nastiest shocks of Mr. Clinton's shock-filled life.

Previous presidents did not have to face hysterical girls threatening to tell their fathers Lucy

MEANWHILE

Mercer, Franklin D. Roosevelt's lifelong forbidden love, moved in the shadows. John F. Kennedy's multiple mistresses kept their mouths shut.

But Beverly Hills princesses are not bred for "back street" self-effacement. Monica Lewinsky's parents may have failed her but they instilled in her a powerful sense of entitlement. Demanding is hardly the word for her. She frightened the leader of the Western world out of his wits. She made a scene at the White House that shook the building. Mr. Clinton lost his temper and raged for the head of a uniformed Secret Service officer who unwisely told Monica, as she cooled her heels, that another woman was with the president.

The president understandably observed that if he had known what she was like, he never would have gotten involved with her. But it was too late. Monica was out of hand. She had been subpoenaed in the Paula Jones case. She did not have the New York job she wanted; the president had better get cracking.

He told her that it was against the law to threaten the president of the United States.

But not only did Monica tear the place apart when she found out that Eleanor Mondale was in the Oval Office with the president, she also told the grand jury that she was "annoyed" to see the president dancing with his wife on a Caribbean beach. She suspected, as did others at the time, that the romantic

shot had been staged to offset the off-purposing developments.

Monica said how hurt she was that the president, in his brief, lying speech to the American people, had failed to point out that she was "a nice, decent person."

Mr. Clinton belatedly spoke well of her in his grand jury appearance, that unexpected box-office hit. His people had mashed her as a ditzy stalker. He, however, in the face of the Starr report's account of character flaws such as adultery, perjury and shrewishness, called her "basically a good girl with a good heart and a good mind."

In her turn, she gave him a fond character reference: "a sweet little boy," affectionate, kind, warm, selfish, self-centered; self-righteous, incredible person who does what is in the best interest of his country.

His fate is the country's prime concern. And Monica? She has disappeared. Her name is mud, but one should never underestimate the cult of celebrity in the United States. She could end up as a highly paid dispenser of advice to the lovelorn.

One thing we could wish her: more people in her life like the grand jurors who questioned her at the end of her long stay in the dock. She and they had an incredibly encounter. Kindly, but inevitably, they made her look at herself. They pointed out she had a habit of seeking out married men. They forced her to drop her babble about her issues and come right out and say it: "It's not right to have an affair with a married man."

They loved her, you could tell. They forgave her, they most helpfully asked Monica if she had something to "share" with them. She certainly did. She shredded Kenneth Starr's perjury charges: "No one ever asked me to lie and I was never promised a job for my silence."

We can only hope that the next time the girl has a problem — sorry, issue — she will call one of these good women instead of Linda Tripp.

The Washington Post

ADVERTISEMENT**OPEN LETTER FROM DR. SLUCIS**

The world believes that the modern day holocausts began and ended with the German Holocaust against the Jews which began in Germany in 1940.

However, in reality the holocausts began at least five years earlier and in Russia, not Germany. We can take as one example the fate of the 230,000 Latvians living in Russia at that time. In 1937 a secret directive was issued from Moscow: *latisskoje gelo* (the Latvian matter). It ordered the killing of Latvians. In the next few months 73,000 Latvians, almost all the men over age 15, with some educated and activist women, were arrested and shot. On the arrest order was written: *pricina obvinenija-latis* (reason for arrest - Latvian). That's all - Latvian. Three years later in Germany similar orders would say: reason for arrest - Jew.

Before the Latvian holocaust in Russia, there was the holocaust against the Ukrainians when in 1935/1936 creating artificial famine the Russians killed almost five million Ukrainians. In 1937-38 there were also holocausts against Estonians and Lithuanians living in Russia.

Altogether, from 1900 to 1940, the Russians killed tens of millions of people in the territory they controlled. And the world was silent. No criticism of Russia was heard anywhere. Since at that time Russia was the only power that Germany respected, and since Russia and Germany were signed allies, could the successful, uncriticized, unpunished Russian genocide against Latvians, Ukrainians, Estonians, Lithuanians have set an example and pointed the way for the German Holocaust against the Jews? If so, then woe to those who knew and remained silent.

In 1939 Germany and Russia signed the Ribbentrop-Molotov (Hitler-Stalin) pact which divided Eastern Europe between them. It gave Germany control from mid-Poland to the east; Latvia, Estonia, Lithuania fell under Russian control. Now nearly two million more Latvians, all that remained in the world, were at Russian "mercy". In the German controlled area began the Holocaust which eventually cost six million Jewish lives. In Latvia, over the next 10 years the Russians killed, deported and exiled the most able one third of the population (this in addition to the already killed 73,000 Latvians in Russia). The political, cultural, and moral leadership of Latvia was almost totally exterminated. Government officials down to village level, leading members of political parties, military and police officers, higher civil servants, school principals and teachers, judges, religious leaders, and scoutmasters were all gone together with hundreds of thousands of others. Russians did the same thing in Estonia, Lithuania, Chechnya and other smaller nations which were under their control.

Some people feel that sympathy is a finite commodity and that if there is sympathy for the other people who suffered in the Russian led holocausts, then it will take something away from the Jewish Holocaust sufferers. I don't think that this is so, and in fact, ignoring some evil and criticizing only selective evil is hypocritical, immoral, and wrong.

What is more important - the Holocaust and the German genocide against the Jewish people ended 53 years ago, but the Russian genocide against the Latvian people continues uninterrupted to this day.

In 1937-38 in Russia, the Russians didn't kill all of the Latvians, only the men, but since the women and children were at the millenary barbaric practice of stealing women. During the unlawful occupation of Latvia, 1940-1941, the Russians did not kill all of the Latvians, only the most able one third. Then they sent in 200,000 soldiers and 1 million support personnel - civil occupants and colonists to slowly eliminate, suppress, russify the leaderless remaining 1.3 million Latvians. This was done by terror and fear, further deportations (1949), and destruction by force and intimidation of the Latvian culture and language = genocide.

In 1991 Latvia regained its independence and the Russian occupation should have ended. While most of the 200,000 soldiers did leave (some only took off their uniforms and became Russian agents or joined the Russian mafia), the 1 million illegal civil occupants remained. They should not have been in Latvia in the first place for it is against all international laws for an occupying power to send masses of civilians into occupied countries. The fact that Russia refuses to remove its civil occupants from Latvia proves that Russia plans to continue its program of elimination of Latvians and russification of Latvia. The Russian holocaust and genocide against the Latvians goes on. Again there is silence just like that other time at the end of the '30s.

Now that many organizations (Red Cross, European churches) and countries (Sweden, Switzerland, Vatican) are admitting their guilt and immorality in keeping silent during the Holocaust against the Jews, why is similar silence and even collaboration continuing in the case of the ongoing Russian holocausts and genocide in Latvia and Estonia? In place of sympathy, Latvians would settle for practical Western help in removing the nearly one million Russian colonists and civil occupants - the unfinished business of WW II. What Russia is doing in Latvia today is as if Germany had continued to kill Jews after 1945, or was trying to bring about the destruction of Jewish Israel. Who would stand for that? Then why is the world silent about similar Russian actions in Latvia? The repatriation of the 1 million Russian civil occupants is the moral and legal obligation of the Yalta and Ribbentrop-Molotov countries, i.e., Germany, USA, Britain, France, Russia.

BUILDING FOR GROWTH: HOUSING IN AFRICA

A FUNCTIONING HOUSING MARKET WILL SPUR GROWTH

The opportunity to own a home is potentially the greatest mobilizer of household savings.

In this decade, the African continent has recorded the world's fastest population growth. A 1996 report by the United Nations Center for Human Settlements (Habitat) indicates that Africa's population will continue to grow at an annual rate of 2.73 percent to the year 2000, resulting in a doubling of the population (to more than 832 million) in just 25 years.

African urban centers are growing at an even faster rate (4.4 percent), according to the UN's Population Division.

The Urban Indicators Program of Habitat, based in Nairobi, reports that Arusha, Tanzania is growing at an annual rate of 9.5 percent, followed by Burkina Faso's Ouagadougou at 9.4 percent. Other fast-growing African cities include Gaborone, Botswana (8.4 percent) and Nouakchott, Mauritania (8.0 percent). The figures are estimates for the period 1990-2000, based on data gathered from 1990-93.

Demand for shelter and services keeps growing
Rapid urbanization, however, has not been matched by socioeconomic growth and its attendant benefits, such as serviced housing.

Says Klaus Töpfer, acting executive director of Habitat and director general of the United Nations Office in Nairobi: "One of the greatest challenges facing Africa is how to provide affordable housing, basic services and infrastructure to the continent's rapidly growing urban population."

Habitat's Urban Indicators show that African housing is grossly under-serviced. Only 37.5 percent of urban households are connected to water and 12.7 percent to sewage systems. Slightly more (42.4 percent) have access to electricity, while only 11.6 percent have access to a telephone.

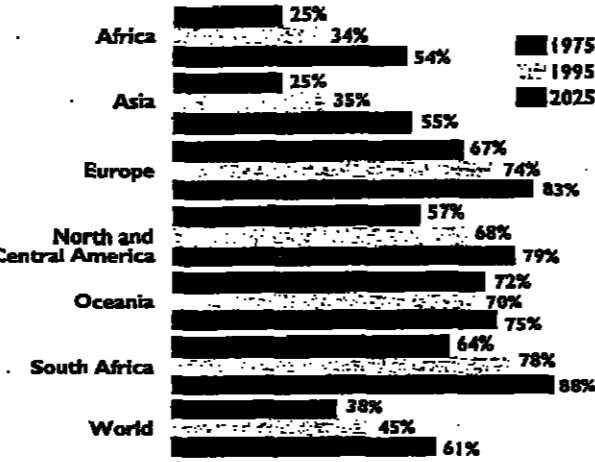
While such statistics paint a gloomy picture, they also indicate potential opportunity for filling the demand for the housing and services that are so lacking now.

"Africa," says Mark Hildebrand, Habitat's director for program coordination, "is the last investment frontier." In spite of uncertainties posed by its largely dysfunctional markets, investors are now increasingly looking to Africa's

Still Rural, but Urbanizing Quickly

Africa is the world's least urbanized, but most rapidly urbanizing, continent. A number of cities in Africa have population growth rates of higher than 7 percent. The population of a city growing at a 7 percent annual rate will double in 10 years. At a 9.5 percent rate, city population will double in 7.8 years.

Percentage of population that is urban



Urban Growth Rate (1990-95)

Africa	4.4%
World	2.5%

Source: UN Population Division

City	Population Growth Rate
Arusha, Tanzania	9.5%
Ouagadougou, Burkina Faso	9.4%
Gaborone, Botswana	8.4%
Nouakchott, Mauritania	8.0%
Monrovia, Liberia	7.5%
Bobo-Dioulasso, Burkina Faso	7.1%
Bulawayo, Zimbabwe	7.0%
Maseru, Lesotho	7.0%

Source: UNCHS Urban Indicators Program (Data gathered 1990-93)

untapped business opportunities. Mr. Hildebrand points out that housing is an important stimulant for virtually all other sectors — building and construction, service provision and employment — but that many African governments see land as a lucrative tool for amassing wealth and political power. That must change if housing markets are to realize their potential for spurring economic growth.

"Contrary to popular belief," he says, "it is not government expenditures but government housing policies which most directly impact both the quantity and quality of housing that gets built, as well as housing prices. Policy and regulatory reforms can therefore serve to make housing more affordable to low-income groups, as well as have a significant impact on the national economy, since the opportunity to own home is potentially the single most important mobilizer of household savings."

As a first step, land tenure should be regularized and land markets should be transparent in order to correct artificial scarcities and overpricing and to encourage participation of small stakeholders and private companies in housing development, he says.

By giving families the opportunity to build their own homes through security of tenure, appropriate standards and infrastructure improvements, governments can mobilize both domestic savings and popular support, which would far outweigh the benefits of using land for political patronage.

"The problem in Africa is not just about costly building materials or a lack of resources," Mr. Hildebrand says. "With a title deed, any family will save to build itself a proper house, not a shack."

Upgrading slums

Informal settlements are another major challenge for African governments. In Kigali, Rwanda, for example, 80 percent of the population lives in such settlements, which are an inevitable part of the African urban landscape.

African governments should prioritize the upgrading of

the so-called slums, rather than flattening them, says Elijah Agevi, coordinator of Shelter Forum, a consortium of non-governmental housing organizations, part of the Intermediate Technology Development Group, which specializes in technology transfer.

To ensure that upgrades succeed, governments must "relax building by-laws, regulations and standards to incorporate indigenous materials," he says.

Daniel Biau, senior executive coordinator, Habitat, concurs on the need for regularization of informal settlements, particularly for the unregulated but rapidly expanding rental sector in African towns.

The high price of housing, he says, has forced many Africans to abandon dreams of ever owning homes. It takes seven years' income for a Kenyan to buy an average house.

Involving the private sector

"Most African governments lack a policy to support the rental sector, putting most of their resources into middle-class home ownership," Mr. Biau says. He argues for a shift in public housing subsidies toward providing incentives to private-sector investors willing to develop low-cost housing.

The middle and upper echelons of housing development should be left to the commercial sector. "Rental housing and provision of water, electricity and telephones present a big investment opportunity in Africa because people are ready to pay for them," says Mr. Biau.

He says, however, that some governments, as in Egypt and elsewhere, have discouraged private sector participation in the housing sector by excessive rent control.

"African governments," Mr. Töpfer says, "must look into ways of creating enabling environments for public-private partnerships to increase investment in shelter. Laws and regulations on access to land and credit should be reviewed, and informal settlement should be regularized."

Catherine Mgendi

Communal tenure may be a solution to the problem of tenancy rights.

Africa requires 46.9 million units of housing stock in order to provide adequate shelter for its six-member households, according to a report by the United Nations Economic Commission for Africa and Shelter Afrique.

Local housing experts say this kind of tenure has other advantages. Because of the established mechanism of ownership, it is less likely that this poor community will be pressured to sell, as often happens. Such a decision is vested in the entire community.

If any household is determined to sell, they are obliged to sell to the community, which can then incorporate new needy households.

Communal land ownership for the Voi community also means a shared responsibility and therefore a less costly financial burden on individual families in developing infrastructure and providing basic services.

There are drawbacks to this new land ownership concept, cautions Elijah Agevi, coordinator of Shelter Forum, under which the Voi initiative was undertaken. Communities are likely to encounter problems when seeking credit, which is presently given on the strength of individual title deeds.

In Nakuru, Kenya, communities are working with municipal officials to simplify house approval, an expensive and cumbersome process.

Rather than each member of the community seeking individual titles, the community got together and petitioned the government to issue them a communal title, and thus guaranteed security of tenure for the land they had been living on for years.

It worked much faster than the alternative approach. The security of the

C.M.

Southern Africa Trade & Investment Summit

Cape Town, December 1-2, 1998

The International Herald Tribune is convening its fourth annual Southern Africa Trade & Investment Summit in December.

Speakers include: President Joaquim Chissano of Mozambique, President Festus Mogae of Botswana, Deputy President Thabo Mbeki of South Africa and Prime Minister Geingob of Namibia.

They will be joined by business and finance leaders from the region, as well as renowned international figures and senior representatives from some of the world's leading companies currently investing in Southern Africa.

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THE WORLD'S DAILY NEWSPAPER

CHANGES IN LAND LAW HELP URBAN DEVELOPMENT

Reforms in Uganda and Tanzania bring hope of increased security of tenancy.

Ongoing attempts to rationalize the land laws of Tanzania and Uganda bring some hope that millions of urban dwellers in these countries can gain more security of tenancy or home ownership. This should eventually open up the possibility of better service provision, improvements to living conditions and more widespread home ownership.

Law reform in itself can be only a partial answer — especially in an environment where few people have recourse to the legal system to establish their status, whether as tenants or homeowners.

Both these East African countries also need to develop a framework of financial and other services dedicated to the development of better housing across the board. At present, such facilities are available only at the top end of the market and have little relevance for most inhabitants of the more densely populated cities.

Without legal status
A change in the law can nevertheless have some far-reaching consequences. Dar es Salaam, for example, is home to about 3 million people, of whom it is estimated that 70 percent are currently without formal legal status, even if they pay rent on a regular basis or have built their homes themselves.

Until the law is brought into line with reality, the status of most citizens in Dar es Salaam is technically that of squatters, vulnerable to the whims of landlords and government agencies. Regularizing the status of Tanzania's city dwellers is one of several important changes to the country's land laws likely to be considered by the country's Parliament in the coming weeks.

The new law is expected to fall in line with the 1995 national land policy adopted by President Benjamin Mkapa's government, which promised to recognize squatters' rights and to upgrade squatter areas.

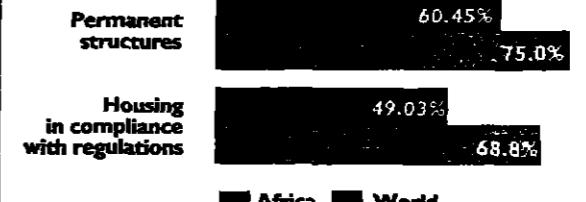
Those currently deemed to be "squatters" hope to be granted new rights of occupancy on 99-year leases. But even with more secure tenancies and leases, much remains to be done to bring better services to Dar es Salaam's large metropolitan area.

Only 37 percent of homes have electricity, and houses are more likely to have a telephone than running water. Such has been the rate of growth of the city in recent years that 40 percent of homes do not have access to clean drinking water.

Many Dar es Salaam residents live more like rural villagers, and no less than 524 square kilometers (200 square miles) of the city's land area of 1,393 square kilometers is

Access and Affordability

Urban households in Africa need to save about 7 percent of income to buy a house, or spend a quarter of monthly income on rent. What kind of shelter does this buy? Only 60 percent is considered durable, and 49 percent is not in compliance with land and building regulations.



devoted to agricultural production, a very high percentage by African standards.

The new land law alone, however, will not protect residents from powerful planning pressure to change current patterns of land use or to redevelop large areas of Dar es Salaam.

Needed: accountability for planners
One of the government's land-law advisors, Patrick McAuslan, a professor at Birkbeck College in London, says that Tanzania's existing urban planning laws, inherited from the 1950s, are also in urgent need of revision to make the activities of government planners and real estate developers more accountable.

In Uganda, where there is less urban population pressure than in Tanzania, the security of tenants and home owners has already been enhanced by Parliament's recent passage of a new land act. Although the act drew much criticism for its apparent facilitation of land consolidation and mechanized agriculture by foreign investors, it does provide better security for those deemed "tenants at will," many of them in urban areas.

Most of the housing market in Uganda's capital, Kampala, is in private hands, and since the national economy began its strong recovery five years ago, much investment has gone into improving the city's housing stock. Electricity is installed in 41 percent of homes, and there is running water in 30 percent, while regular drinking water is available to 87 percent.

The land law alone will not necessarily favor the 50 percent of the Kampala's population who are not home owners. Rapid increases in land values have put pressure on the cost of rent and services. Other legislation may have to be revised to ensure that the needs of the poorer inhabitants are not ignored as the Ugandan economy continues to grow.

"As centers of economic activity, cities will need to efficiently provide infrastructure and services for all segments of the population, the bulk of whom tend to be low-income and poor," says Alioune Badine, who heads the regional office for Africa of the UN Center for Human Settlements' Urban Management Program.

Richard Syngue

CITIES ARE WEALTH GENERATORS

A new measure of the economic product of cities shows that their capacity for creating wealth is greater than that of their national economies.

The City Product measure, developed by Habitat, can best be described as the "gross national product" of cities, according to Christine Audair, an adviser

to the Urban Indicators Program. Ms. Audair says the measure shows that cities, African ones included, are on average 10 percent more productive than their national economies.

In Africa, cities generate 29 percent more wealth than their national economies. In sub-Saharan Africa, average City Product was \$683, while the GNP was \$555 in 1993.

Harare's product per capita was found to be \$2,370, compared to Zimbabwe's GNP of \$520. Nairobi's was \$744, with Kenya's GNP at \$270, and Kampala's was \$430, compared to a \$180 GNP for Uganda.

C.M.

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BUILDING FOR GROWTH: HOUSING IN AFRICA

CLEANING UP THE KORLE LAGOON

Consultation with residents is key for the Accra Sustainable Program.

The sprawling city of Accra, Ghana's administrative and commercial center, has a population of 1.8 million engaged in a mixture of activities ranging from construction and manufacturing to real estate and insurance that together contribute 15 percent to 20 percent of Ghana's gross domestic product. The city's rapidly growing population is young — 41.5 percent were under the age of 15 in 1990.

Growth pressure
Accra's population and spatial growth are contributing to its environmental problems as people spill over into areas unable to withstand the sheer scale of their demand.

This means that a large number of Accra's people live in high-density neighborhoods in poor-quality housing, characterized by an absence of, or inadequate, sanitation and other municipal services. In addition to having to live with manmade hazards — including the results of poor management of refuse and human-waste disposal, noise pollution and deforestation — residents have to contend with natural hazards such as earthquakes, erosion, flooding and soil instability. Ways to ease or solve the problems are always being sought.

The Accra Sustainable Program was introduced to Ghana in 1994 in an agreement between the government of Ghana and the Sustainable Cities Program to improve the way local authorities and municipalities deal with environmental planning and management. Sustainable Cities is a joint program of the United Nations Center for Human Settlements (Habitat) and the

UN Environment Program. The initial focus has been on a range of issues involving sanitation and the degradation of Korle Lagoon. The Ministry of Local Government and Rural Development and the Accra Metropolitan Assembly (AMA) will be the main bodies implementing the plan.

Accra has seen many attempts at reconciling socioeconomic development and environmental issues. What makes the Accra Sustainable Program different from preceding projects is the depth of consultation in the initial stages and the use of consultation as an integral part of the implementation process throughout the project.

Sizing up the problem

Urban environmental issues were identified and prioritized in a city consultation held in Accra in May 1995.

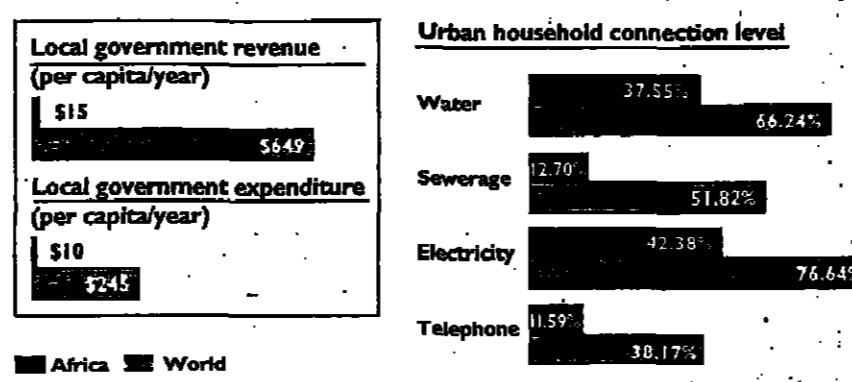
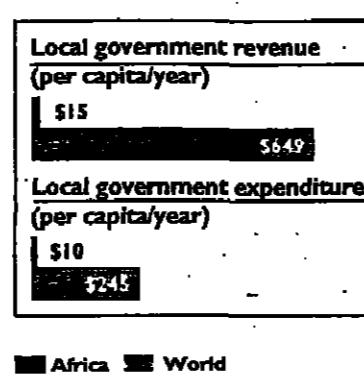
The more than 150 participants were from Parliament, central and metropolitan government, traditional authorities, nongovernmental organizations, academic institutions, international agencies and the private sector, including women who sell their goods in local markets.

An important element of the project is broad-based working groups seeking strategies to solve the most pressing issues, such as sanitation (solid and liquid waste management), flooding and drainage, and the degradation of the lagoon.

A squatter camp known as Sodom and Gomorrah located on the edge of Korle Lagoon, has "possibly the most precarious living conditions in Accra," said Ben Kofi Doe, project manager of the Accra Sustainable Program. In a recent report, Between 15,000 and 20,000 people

City Budgets and Access to Utilities

The level of local government revenue per capita, and therefore capital expenditure, is very low in Africa. The result is poor access to utility services.



Source: UNCHS Urban Indicators Program (Data gathered 1990-93)

live in the camp in unventilated wooden shacks without access to emergency or waste-disposal vehicles.

The paths between the dwellings flood in the rainy season and are filled with stagnant water. "There are no drains," the report says. "Waste reaching the Korle Lagoon from upstream accumulates alongside and within the community. Health conditions are compounded by the fact that the whole population is situated on an AMA waste site, on the banks of a polluted lagoon."

The settler camp has mushroomed as people seeking economic opportunities move there. The report continues:

"Other activities are being encouraged to relocate from other places to the area. Examples are the onion and plantain sellers, sack sellers, etc. In addition to this, construction work in cement blocks is taking place in the areas along the main street leading to Agbogbloshie [the main market]."

The lagoon is a main runoff receptacle for many of the city's large drains carrying industrial and domestic waste. Despite being fully dredged in the early 1960s and partially dredged in the mid-1970s to allow for a greater volume of floodwater, pollution has continued to increase in and around the lagoon.

The increased pollution is

directly attributable to the squatter settlements, an increase in commercial activity on the edge of the lagoon and a basic lack of adequate utilities servicing the needs of the population.

Involving the community
It is hoped that once these seemingly intractable problems are solved and the lagoon is cleaned up, its waters will become a source of clean water and an environmental recreational area.

The report states that since the project is at an early stage, few lessons can be drawn

from it, but two factors clearly stand out. First, the success of the city consultation has been attributed to the strong desire of stakeholders to improve Accra's environment. Second, using the main language, Ga, alongside the national language, English, considerably improved understanding and helped in the formation of a consensus.

The report points out that in addition to involving the beneficiaries at an early stage and coordinating all involved parties, funding needs to be found for "every aspect of the projects." Jane Borges

A PARTNERSHIP TO BUILD LOW-INCOME HOUSING

In Ghana, the government is acting as a facilitator for the private sector.

While the Economic Recovery Program introduced in Ghana in 1983 to liberalize the economy led to greater private sector involvement in housing provision, housing in urban areas remained expensive and out of reach for most people, until a government-initiated pilot scheme began to provide affordable housing in low-income areas.

Ghana's social security trust, real estate developers and banks are cooperating to provide affordable housing in low-income areas

Under the initiative, private real estate developers have been organized under the umbrella of GREDA. The government assists GREDA in acquiring credit, serviced land and local building materials.

The government, the World Bank, Merchant Bank (Gh) Ltd. and SSNIT set up the Home Finance Co. (in which SSNIT has a 17.92 percent interest) for the purpose of raising capital for organizations and individuals to develop a range of housing units. SSNIT, using index-linked bonds, channels funds to the Home Finance Co.

SSNIT acquires land from the government Lands Commission and puts the infrastructure in place before passing the lands on to GREDA and to other organizations and individuals to build housing units.

Commercial banks, such as the Bank for Housing and Construction (in which SSNIT has a 10 percent interest), furnish GREDA members with construction finance, and once completed, the properties are then purchased by the Home Finance Co. for mortgages.

Part of the government policy provides for increasing financial support from low-income householders, through their savings, for the financing of housing units. J.B.

'SAFER CITIES' IS FOCUS OF WORLD HABITAT DAY

Governments, community organizations and individuals around the world will mark World Habitat Day 1998 on Oct. 5 with a variety of national and community-level events focusing on this year's theme, "Safer Cities." The Municipality of Dubai, United Arab Emirates, will host the major World Habitat Day celebration.

The "Safer Cities" theme is a reflection of the growing concern about escalating urban violence, crime and insecurity among citizens around the globe and a call to action by governments, communities and individuals to make their environment safer and more livable. Every five years, 60 percent of the world's urban population becomes a victim of crime at least once.

Says Klaus Töpfer, acting executive director of the United Nations Center for Human Settlements (Habitat): "Deteriorating urban environments

where the urban poor are deprived of basic services and security of tenure leads to social frustration, which can lead to a culture of violence. Measures that protect urban communities from deprivation, unemployment, homelessness, illiteracy, injustice and social disintegration will ultimately also protect them from crime and violence."

World Habitat Day also gives the communities the chance to share not only experiences from their successful initiatives but also the problems they have encountered in trying to provide adequate shelter and basic services to all during the year. On Oct. 5, successful initiatives will be recognized by the Habitat Scroll of Honor Awards in Improving the Living Environment. The Dubai award for best practices includes a \$30,000 prize.

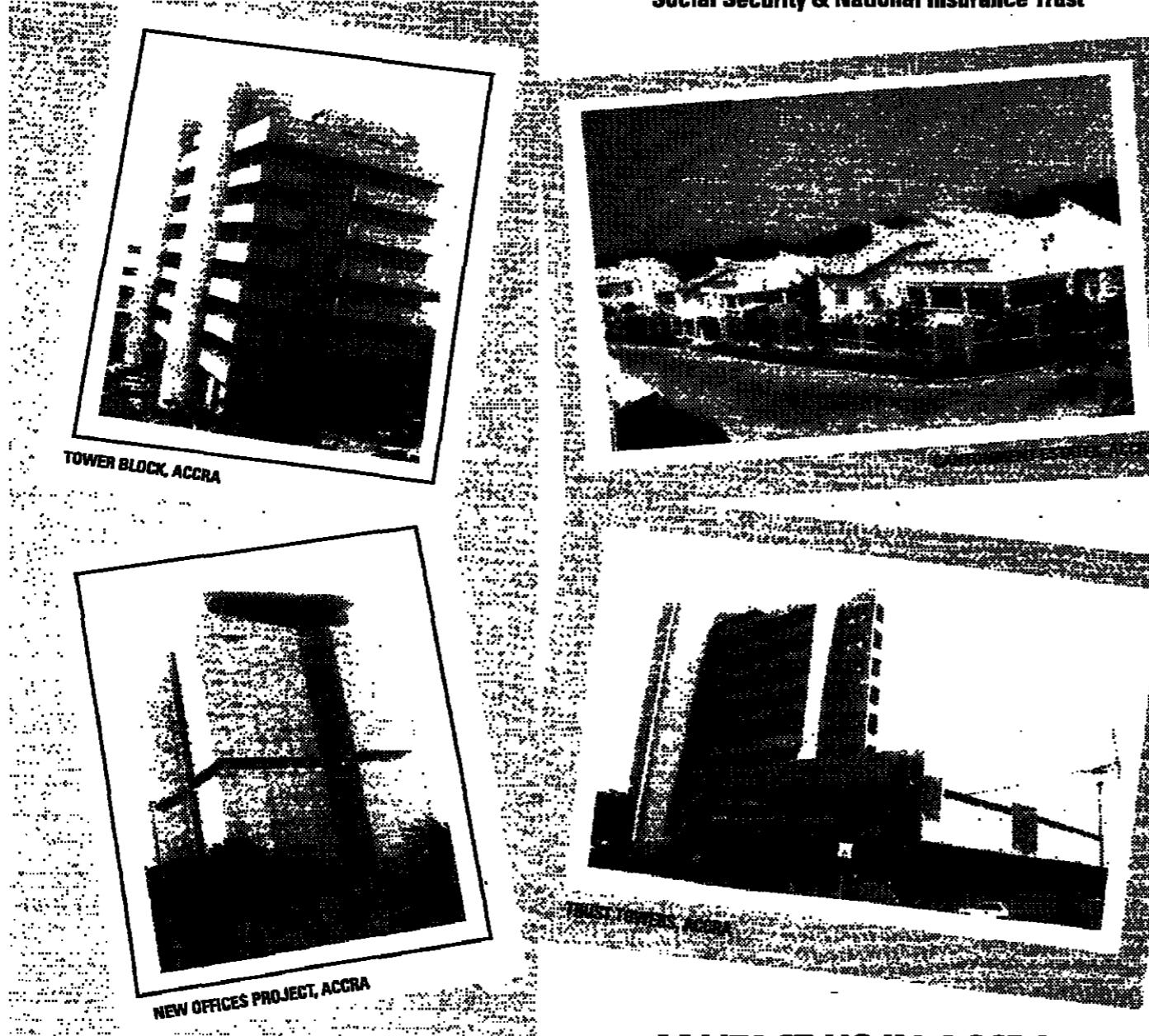
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مکان من الأفضل

STAGE/ENTERTAINMENT



Ballet in China offers the visual excitement of Chinese opera without its esoteric codes and rituals.

Passion Drives Ballet in China

By Alison Dakota Gee

HONG KONG — At a time when most of the performing arts in China are suffering from shrinking audiences and a serious lack of financing, one has experienced a revival of national passion.

When the National Ballet of China opened a weeklong run in Hong Kong recently, its six performances were sold out for weeks, and a buzzing audience crowded the massive Cultural Center's Grand Theatre to see the company perform its classic "The Red Detachment of Women."

This is China's own particular — some say peculiar — brand of ballet, a Western art form that the country has claimed and adapted as its own. In a marriage of Cultural Revolution principles and pirouettes, the 150-minute "Red Detachment" tells the story of a peasant girl who rises from slavery to join a crusading, all-female band of Red Guards to defeat the evil landowner who once enslaved her.

Ballet in China is a window to the West, while offering the visual excitement of contemporary Chinese opera (which includes astonishing displays of Chinese acrobatics) without its esoteric codes and rituals.

A key to Chinese ballet's growing popularity is its interest in telling homegrown stories. Now 72 dancers strong, the National Ballet has earned

renown for its inventive original repertoire of several Chinese ballets, including "Maid of the Sea," and a dance form that offers insight into the mores and ideology of the culture and the times in which they were created.

Baller has had a passionate 45-year history in China. The Beijing Dance Academy, the first to include ballet instruction, was founded in 1954. The National Ballet followed in 1959, supported by a most illustrious patron, Prime Minister Zhou En Lai. "The company was very important to Mr. Zhou — he even knew every dancer's name," said Zhao Ruiheng, one of the troupe's first soloists and now its director.

In the 1950s, when Chinese-Soviet relations were at their closest, such ballet masters as Pyotr Gusev came to China to establish and run the academy. The ballet masters drafted students from all over the country, using strict Russian guidelines to determine which children were suitable for the school. The dancers not only learned ballet; they also had to master martial arts, folk and classic dance — all of which were incorporated into the spiritual breed of Chinese dancing.

During the Cultural Revolution, the company fell on hard times. Some dancers were marched off to remote farms and forced labor. Others were commanded to change their names to those more in line with communist ideology. But the company was saved from obliteration by two main factors: the

zealous patronage of Jiang Qing, Mao Zedong's wife, and the troupe's commitment to telling stories that touched the heart of their audiences.

For the National Ballet of China, understanding the texture and strife of ordinary comrade life proved vitally important. To develop an authentic story line for the military-themed "Red Detachment," the company went so far as to live with a battalion of female soldiers, staying in their barracks for a week, exchanging their ballet shoes and leotards for army boots and fatigues, and following their routines exactly.

ZHAO recalls: "If the soldiers had to get up at midnight and fire rifles, we had to do the same." For the short ballet piece, "Factory Worker," the dancers went to a sewing sweatshop. They not only learned to stitch clothing, they said, but also came to understand the dreams, hopes and fears of factory women.

Today, the Beijing-based company tours the major cities and the remote provinces of China. Performances, often attended by entire families, are mostly sold out. "Chinese ballet is unique because we use our own Chinese thinking to give the audience something special," Zhao says smiling. "Our country is now rising in the world, and our ballet company would like to go with it."

Alison Dakota Gee is a journalist based in Hong Kong.

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The Met Opera Seeks Benefactors

By Ralph Blumenthal
New York Times Service

NEW YORK — With 26 donors already giving or pledging at least \$1 million each, and one as much as \$25 million, the Metropolitan Opera has opened its largest endowment campaign ever, aimed at more than doubling its nest egg to \$400 million over the next three seasons.

Half of the \$200 million goal has already been raised or promised, said James Kinnear, chairman of the Met board and the campaign. Kinnear is also a former president of Texaco Inc., which has pledged \$10 million.

The announcement of the fund-raising drive was keyed to a gala dinner Monday night after the season-opening production of "Samson et Dalila."

"I'm going to be seeing each and every one of you," Kinnear, interviewed before the dinner, said he wanted to tell benefactors, who already give \$65 million a year to close the gap between operating expenses of \$165 million and ticket sales and other revenue of about \$100 million. "You don't get this kind of money a dollar at a time."

By almost any measure, the 115-year-old company is in enviable artistic and financial shape, selling 92 percent of its seats on average and renewing a record 88 percent of annual subscriptions at a difficult time for many companies in the arts. But with the present endowment of \$71 million, barely equal to a year's expenses, "there is tremendous pressure on annual fund-raising," said Joseph Volpe, the Met's general manager.

The larger endowment, he said, would yield greater interest income to stabilize ticket prices, help cushion the Met against economic downturns and provide the financial security to continue the company's broadcasts, tours, free outdoor concerts and youth programs. The money would mean "even greater successes to share with our public," Volpe said.

The largest gift so far is coming from Alberto Vilar, an investor in computer and medical technology who grew up in Cuba and Puerto Rico and has quietly become one of the most generous benefactors in the Met's history.

VILAR, founder, president and portfolio manager of Amerindo Investment Advisers Inc., is committed to giving the endowment \$20 million over five years plus another \$5 million in challenge grants that match contributions by others. In response, the Met has renamed the concert hall's grandest level for him. Vilar is a member of the Met's managing board and a vice chairman of the endowment campaign.

"I love opera," he said recently in an interview in his firm's conference room.

Vilar's past gifts and future commitments to the Met amount to nearly \$40 million, putting him in the league of Sybil Harrington, the Texas oil heiress and philanthropist regarded as the Met's greatest individual donor, who died this month. Phoenix at 89. Beginning in the 1970s, she gave more than \$30 million, including a \$20 million gift to the last endowment campaign in 1980, which had a goal of \$100 million.

Other significant donors have been Abby Aldrich Rockefeller, the wife of John D. Rockefeller Jr.; J. William Fisher, through his Gramma Fisher Foundation; Lila Acheson Wallace, and Francis Goetz, who died this year and left the Met a bequest yet to be evaluated.

Part of the \$10 million gift from Texaco will support a new city school program that exposes children to opera and uses music to help develop educational skills. Texaco is the Met's most identifiable backer, having sponsored nearly 59 years of Saturday afternoon radio broadcasts for about \$150 million.

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Kidman and the Classic No Breathing Space in Hare's Update of 'La Ronde'

By Sheridan Morley
International Herald Tribune

LONDON — I have somehow failed to catch the Nicole Kidman fever. In the first place, as she was a talented and hardworking Australian stage actress long before she married Tom Cruise or made Hollywood movies, it seems curiously patronizing to express amazement that she can skip lightly through the half-dozen sketchy playlets to which David Hare has reduced Arthur Schnitzler's "Reigen," better known to us as "La Ronde," in "The Blue Room" (Donmar Warehouse).

Hare's achievement in doing this can scarcely be compared to the much greater risks successfully run by such other Hollywood stars who have lately turned up in London as Kevin Spacey in "The Iceman Cometh," or even Juliette Binoche in a long-lost Pirandello. Written at the end of the last century, "La Ronde" has never been lost, and its update Hare has presumably intentionally abandoned one of its greatest strengths.

What links the short black-out scenes in the Schnitzler original is that, as we follow 10 social-stereotype characters through two sexual encounters each, they are passing venereal disease on to each. If that now seems somewhat dated, surely AIDS would have been an almost exact contemporary parallel.

But Hare doesn't bother with any of Schnitzler's subtlety, despite the fact that it has hitherto been the most interesting thing about "La Ronde," and was presumably the reason why it had to wait 20 years for a public performance. Instead, he contents himself with some very minimalist sketches, stripped of any supporting characters; in 90 no-interval minutes we get Kidman and her widely overlooked

but rather better co-star, Iain Glen, quick-changing into cab drivers, playwrights, aristocrats, call girls, models, actresses and housewives in what are rather repetitive brief encounters, not so much a battle of the sexes as desperately inconclusive skirmishes.

Kidman is not as interesting in these roles as would have been an actress like Felicity Kendal or Jane Asher, though in all fairness to her, the sketches allow no real plot or character development; Hare simply hasn't given them space or time to breathe, and as a result we have lost any sense of the original sexual carousel. Less is not more, despite some valiant attempts by the director, Sam

Mendes, to make us believe that every time they start a sketch the rabbit may finally be about to emerge from the hat. It never does.

At a time when Terry Johnson is regularly reminding us in such plays as "Dead Funny," and his current "Cleo, Camping, Emmanuel and Dick," that virtually all star British comics of the 1960s came to lonely ends, it is good to report that Ronnie Barker remains happily Hale and hearty, having abruptly retired a decade or so ago at the height of his fame. In a remarkable act of filial duty he has now written his actress daughter Charlotte a play, "Mum" (at the King's Head), which turns out rather to be a 90-minute monologue, occasionally interrupted by the ghosts of her dead father and boyfriend, while her equally unseen dead mother remains an unseen but handy stage-audience presence in an armchair.

Unfortunately Barker's considerable talents as a television sketch writer do not survive over the long haul on stage; nothing very much happens in act one or two, and then there is a sudden avalanche of plot in the last five minutes. Better news at the Tricycle, where Roy Williams's "Starstruck" is that old favorite, the one about leaving a distant home for the bright lights of the big city. In this case, home is Jamaica in the 1970s, at a moment when Stewart Granger supposedly descends on a remote community and persuades a likely lad that there might be a world elsewhere. As usual the visitors return home and the local community remains, well, local, but Williams's considerable achievement here has been to build us a family we can really care about, from the ancient car-restoring father to the con man son, Martin Cole and Eddie Nestor in a sun-and-shadow production of elegiac intensity by Indhu Rubasingham.



Mark Douet

LONDON FASHION

After the Storm, Geometric Calm

By Suzy Menkes
International Herald Tribune

LONDON — Between straight geometric lines — vertical, horizontal and diagonal — British fashion has reached its zen. Whereas the city used to be known only for wild exuberance, some of the most striking shows now exude a fashion calm.

No one does graphic modernism better than Hussein Chalayan. His spring-summer show hit perfect pitch — not least with its choral singers, whose echo-chamber sounds were a counterpart to the linear, monochromatic clothes.

Through the white studio walked models whose clothes were black, white or gray, with each outfit like a positive/negative version of the other. So a simple dress, sculpted out of crepe, would have a collar curving to the left. Its mirror image would then appear, curving to the right. Here a narrow line of sheer fabric bisecting the front; there the same effect slicing through the back.

To emphasize the visual symmetry, cuboid or spherical Perspex headgear appeared above dresses with abstract blocks of pinstripes.

Tricky? No, the effect of this poetic geometry was the opposite, for Chalayan used his exceptional cutting skills to make the complex seem spare and simple — even when a confection of gauzy white fabric was unfurling at the front.

His finest achievement was to make the clothes at the same time avant garde and accessible. Using basic modern shapes — tunics with pants or knee-length dresses and skirts — the designer even gave his modernist touch to denim.

They look just right for right now: a pristine white crepe dress panelled to skim the body; a cerulean blue coat free of fastenings; a square-sleeved kimono cardigan; the signature Muir navy silk jersey as tunic and pants. Add a fine sensibility for color, so that absinthe was mixed with lavender. The collection was limited only by its timid choice of fabrics when there are so many innovative possibilities. They will be explored as the fashion crowd moves from London to the Premiere Vision fabric fair in Paris.

using stitches as patterns of broken lines, while necklines were drawn with a compass and cut scalpel-sharp. Such artistic sensitivity and fashion maturity at only 28 is giving Chalayan international designer status.

Could you imagine two more polar opposites than disco and zen? Well, Matthew Williamson stitched them together for his show. But the resulting dresses, short and sassy but primed with graceful Japanese designs, didn't really capture the best of both worlds.

You can see the idea on paper. Make that rice paper. Cherry blossom embroidery would trace the bodice of a simple dress; or pleats, printed à la Japonaise, would fan out from the sleeves of a crisp piqué suit. Some outfits were even made of a papery material that made a dress or strapless top look like an Oriental screen.

The clothes were fresh, young and pretty, if familiar. But the two opposing themes just seemed contrived.

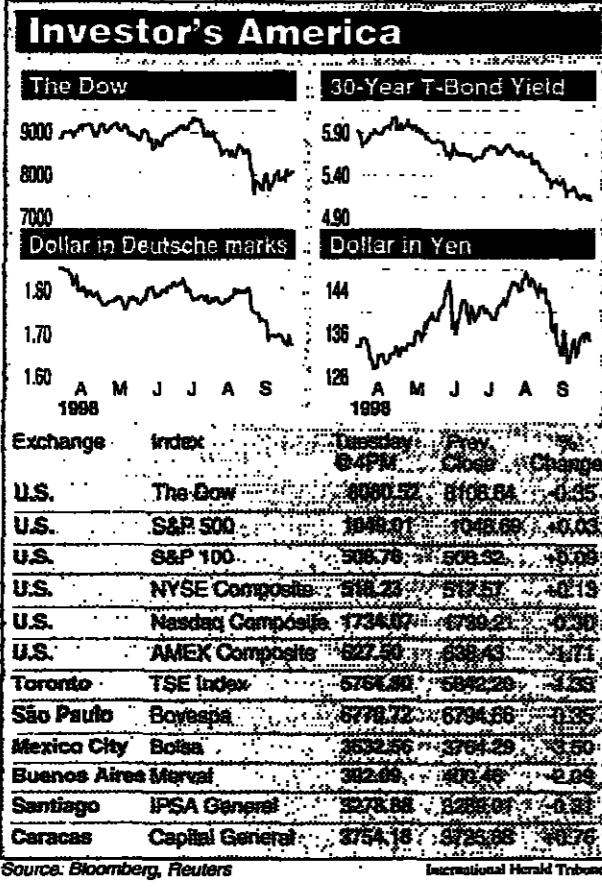
The four-strong, all-woman design team at Jean Muir is doing a good job of keeping alive the spirit of the late designer and her vision of quiet clothes, precisely tailored in soft fabrics.

They look just right for right now: a pristine white crepe dress panelled to skim the body; a cerulean blue coat free of fastenings; a square-sleeved kimono cardigan; the signature Muir navy silk jersey as tunic and pants. Add a fine sensibility for color, so that absinthe was mixed with lavender. The collection was limited only by its timid choice of fabrics when there are so many innovative possibilities. They will be explored as the fashion crowd moves from London to the Premiere Vision fabric fair in Paris.

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THE AMERICAS



Analysts Fear Another Big Hedge Fund Is Tottering

By Joseph Kahn
and Peter Truell
New York Times Service

NEW YORK — Even as a consortium of big Wall Street banks completed a huge-scale rescue package for Long-Term Capital Management, investors' anxiety rose about a second hedge fund in possible trouble because of bad bets in turbulent markets.

Questions about the financial viability of Convergence Asset Management centered on whether the fund had made the same kinds of miscalculations as Long-Term Capital. Both funds, based in Greenwich, Connecticut, are run by former star traders at Salomon Brothers Inc. and use similar strategies.

There were some signs that rich investors, scared by huge losses at Long-Term Capital, were reassessing their investments in hedge

funds, the large and lightly regulated pools of capital that have drawn intense attention in recent days. Congressional committees scheduled hearings for Thursday into what happened at Long-Term Capital and whether it posed a risk to market stability.

"We're still in business," Andrew Fisher, the managing partner of Convergence Asset Management, said. "We have taken some body blows, but we have not fallen to the mat. We have met every margin call, and we still have a reasonable amount of free cash for just this type of event."

While he refused to say how much Convergence's capital had declined from an original \$500 million, Mr. Fisher emphasized that his fund, formed in March, remained liquid, maintaining about 25 percent of its resources in cash. Outflows are not a problem, he said, as investors

are committed to a nearly three-year term.

Analysts told Bloomberg News that while some other prominent hedge funds faced a disappointing month in September, they did not expect any to come close to collapsing as Long-Term Capital did.

"A lot of funds have been hurt a little," said Hunt Taylor, executive director of Tasso Management, a hedge fund consultancy, "but only a few funds have been hurt a lot."

Wall Street lawyers representing the consortium of banks and brokerage firms that rescued Long-Term Capital hammered out a final agreement Monday night. The rescue plan, originally put at \$3.5 billion, may now be running as high as \$3.65 billion.

Participants in the rescue operation, which was arranged last week at meetings orchestrated by the Federal Reserve Bank of New York,

agreed to buy 90 percent of the fund, which is running out of money to support its billions in market bets.

The 16 firms — which have appointed Goldman, Sachs & Co., J.P. Morgan & Co., Morgan Stanley Dean Witter, Travelers Group and the Swiss banking company UBS AG as their oversight team — transmitted the funds to Long-Term Capital late Monday.

"It's a very unhappy set of circumstances," said a senior Wall Street executive involved in the bailout, who refused to be identified by name.

The rescuing institutions have agreed to commit their capital for as long as three years, according to people involved in the effort.

Their objectives are to reduce the size of Long-Term Capital's enormous portfolio of securities, derivatives and forward contracts — positions that at the end of August

totaled \$1.25 trillion.

The three-year time frame for completing that task reflects the reality that Long-Term Capital had made such heavy bets in some bond and equity markets that liquidating its portfolio all at once would almost certainly send prices sharply lower in already fragile markets.

The senior Wall Street executive involved in the bailout said Monday that his firm's key goal was to put the best risk-management people in place at Long-Term Capital.

"We want to have the best possible chance to protect the capital we put in," he said, "and hopefully get out with a profit." He emphasized that the three-year commitment should allow time to turn Long-Term Capital's fortunes around.

He said he saw no alternative to the Fed-organized private-sector rescue, but he said many of his Wall Street colleagues disagreed.

Dollar Drops Against Yen On Talk of G-7 Intervention

Bloomberg News

NEW YORK — The dollar fell sharply against the yen Tuesday on speculation that the Group of Seven leading industrialized nations would agree this weekend to prop up the Japanese currency.

A report from the Kyodo news agency said G-7 officials would arrange cooperation in bolstering the

weak yen would put pressure on the Chinese yuan and other Asian currencies.

A devaluation of the yuan could depress worldwide consumer demand because it would reduce the purchasing power of the world's most populous country.

The dollar also dropped to 1,6748 Deutsche marks from 1,6762 DM, to 5,6146 French francs from 5,6203 francs and to 1,3880 Swiss francs from 1,3893 francs.

The pound rose to \$1.7085 from \$1.7063.

yen at the annual meeting of the body and the International Monetary Fund in Washington. That followed comments Monday by Treasury Secretary Robert Rubin, who said the weak yen was "a great concern."

"There are concerns the yen is going to be on the table for G-7 discussions this week," said Jim Phoenix of CIBC Wood Gundy.

"That brought dollar-yen lower."

In 4 P.M. trading, the dollar was at 134.60 yen, down from 136.12 yen Monday.

The yen has fallen against the dollar this year as the Japanese economy has endured its worst recession since World War II. The weak yen makes Japanese exports cheaper than those of its neighbors, which could lead other countries to devalue their currencies to stay competitive.

Kyodo, citing an unidentified international financial source, said the G-7 was concerned that a

reduction in the yen would have implications for other

Bells that want to enter into similar alliances to offer customers one-stop shopping for local and long-distance services.

US West said it would appeal the FCC's decision. Ameritech is considering its legal options.

"Unfortunately, the commission has once again failed to place the interests of consumers first," said Jerry Brown, a US West spokesman.

The FCC said the alliance of US West and Ameritech with Qwest violated a provision in a 1996 telecommunications law that bars a Bell company from providing long-distance service to its own customers.

New Data Show Loss for Cendant

Bloomberg News
Continued from Page 1

PARSIPPANY, New Jersey — Cendant Corp., a marketer and franchiser stung by accounting fraud, said that it lost \$217.2 million last year, instead of earning a net income of \$55.5 million as it had reported earlier, after the company restated its earnings.

Cendant, owner of such brands as Howard Johnson and Avis, is complying with a request by regulators that it update accounting practices of a unit that sells discount shopping and other services to fee-paying members.

On Tuesday morning, it had been widely accepted that the Fed would cut rates, but there was a question of whether the federal funds rate would be reduced to 5 percent or 5.25 percent. A reduction to 5 percent would have been more immediately favorable to the markets, said Mr. Kahan, but would have run the risk of sending a signal that problems in the international economy were more serious than had been believed.

Mr. Greenspan's recent public pronouncements on the central bank's thinking had primed investors for Tuesday's action by indicating incremental shifts in the Fed's stance. He told the Senate Banking Committee in July that inflation was a greater threat than "protracted, excessive weakness."

But at the Federal Open Market Committee meeting in August, the panel reassessed that view. On Sept. 4, the Fed chairman said the committee at that point decided that "the risks had become balanced" between inflationary and recessionary

forces because of "dislocations abroad."

Last week, he told the Senate Budget Committee that since August, "deteriorating foreign economies and the spillover to domestic markets have increased the possibility that the slowdown in the growth of the American economy will be more than sufficient to hold inflation in check."

Mr. Kahan noted that "from July to now, there has been a 180-degree change in attitude" at the central bank.

Stock and bond prices began adjusting for a rate cut by early this month. Interest rates in the Treasury bond market have been falling steadily since late July, with the yield on the bellwether 30-year bond dropping to 5.09 percent late Tuesday from more than 5.70 percent last month and 5.15 percent Monday.

While the Fed has been concerned about events overseas, the U.S. economy has remained strong, expanding at a faster rate than has been considered compatible with keeping inflation in check. After expanding at a 5.5 percent rate in the first quarter and 1.6 percent in the second, the economy is on track to grow as fast as 3.5 percent for the year, and unemployment was a low 4.5 percent in August.

One sign of potential trouble was contained in the Conference Board's consumer confidence survey for September, which was released Tuesday. The index fell to 126.0 from 133.1 in August.

U.S. Bars Phone Alliances

The Associated Press

WASHINGTON — Regional Bell telephone companies that want to sell long-distance service provided by another company to their local phone customers have received bad news from U.S. regulators: The practice is illegal.

US West Communications Inc. and Ameritech Corp. — both Bell companies — were told by the Federal Communications Commission on Monday that their separate alliances with Qwest Communications Corp., a long-distance company, violated U.S. law.

The FCC's decision, if upheld, would have implications for other

Bells that want to enter into similar alliances to offer customers one-stop shopping for local and long-distance services.

US West said it would appeal the FCC's decision. Ameritech is considering its legal options.

"Unfortunately, the commission has once again failed to place the interests of consumers first," said Jerry Brown, a US West spokesman.

The FCC said the alliance of US West and Ameritech with Qwest violated a provision in a 1996 telecommunications law that bars a Bell company from providing long-distance service to its own customers.

INTERNATIONAL FUTURES

Sept. 29, 1998

High Low Last Chg Optin High Low Last Chg Optin

Grains

ORANGE JUICE (COTTON)

10-year FRN 98/09/20 100/10 100/10 +1.40 14,494

Dec 98 110,25 110,11 110,20 +0.02 165,330

Est. sales: 67,020

Open int: 105,320 off 3,345

ITALIAN GOVERNMENT BOND (LIFTE)

100 200/100 - PB 98/09/20 111,19 -0.04 85,405

Mar 99 N.Y. N.Y. 111,29 -0.08 10 10

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

INDUSTRIALS

COTTON (BROKERS)

100 200/100 - COT 98/09/20 110,10 -0.04 85,405

Oct 98 73,70 70,93 70,93 -0.22 44,366

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

HEATING OIL (OMMER)

100 200/100 - HOM 98/09/20 111,19 -0.04 85,405

Oct 98 74,79 72,99 72,91 -0.16 39,495

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

LIGHT SWEET CRUDE (OMMER)

100 200/100 - LSC 98/09/20 111,19 -0.04 85,405

Oct 98 74,79 72,99 72,91 -0.16 39,495

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

NATURAL GAS (OMMER)

100 200/100 - NG 98/09/20 111,19 -0.04 85,405

Oct 98 74,79 72,99 72,91 -0.16 39,495

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

PLATINUM (OMMER)

100 200/100 - PLT 98/09/20 111,19 -0.04 85,405

Oct 98 74,79 72,99 72,91 -0.16 39,495

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

SILVER (HOMER)

100 200/100 - SIL 98/09/20 111,19 -0.04 85,405

Oct 98 74,79 72,99 72,91 -0.16 39,495

Dec 98 74,79 72,99 72,91 -0.16 39,495

Est. sales: 11,000

Open int: 67,416 off 229

SWISS FRANC (CHAMO)

100 200/100 - CHM 98/09/20 111,19 -0.04 85,405



Very briefly:

• British investors increased their holdings of so-called safe-haven assets in September as they sought a cushion against economic concerns in Asia, Russia and Latin America, according to a Reuters asset-allocation survey. A survey of 19 largely London-based investment funds carried out from Thursday until Monday showed that a recent equity build-up in Germany and other core European markets was continuing, but it also revealed reviving interest in U.S. equities. The average weighting in U.S. stocks was 39 percent, up from 33.2 percent in August, while German weightings climbed to more than 7 percent from under 6 percent.

• Brazilian investment funds lost 6.18 billion reals (\$5.22 billion) in September, the National Association of Investment Banks said. Losses on foreign capital invested in fixed-income funds totaled 2.2 billion reals. The association said that a total of \$25 billion to \$30 billion was pulled out of Brazil between early August and Sept. 22. A sharp rise in base rates has not stopped the capital outflow but merely reduced it from an average of \$1 billion a day to between \$300 million and \$500 million a day.

• Europe's biggest insurer, Allianz AG Holding, said it expected its asset-management business aimed at private investors, one of its core businesses, to break even in 2001. Allianz said the group expected to invest a three-digit figure in millions of Deutsche marks in developing the new business.

• Bahrain's offshore banking units' assets fell 2.9 percent while commercial banking assets rose 1 percent in the second quarter, the Bahrain Monetary Agency said. Offshore banking assets fell \$2.1 billion to \$69.3 billion, while commercial banks' assets rose \$30 million to \$3.17 billion from the first quarter, the central bank's statement said. Bahrain has 19 local and foreign commercial banks.

• Anhys NV, a Belgian bank based in Antwerp, will market seven Invesco mutual funds to its clients, marking Invesco's first foray into the Belgian market, the two companies said. Anhys will distribute the large- and small-capitalization equity funds through 630 sales points. Bloomberg, AFP, Reuter

Arthur Levitt, Securities and Exchange Commission chairman.

SEC Chief Targets 'Hocus-Pocus'

Commission to Crack Down on Controversial Accounting

By Melody Petersen

New York Times Service

NEW YORK — Scolding America's companies and their accountants for using "accounting hocus-pocus," Arthur Levitt, the chairman of the Securities and Exchange Commission, said his staff would crack down on businesses that used certain controversial accounting methods to manipulate numbers reported to shareholders.

Mr. Levitt's surprisingly harsh criticism and his far-reaching plan to stop the accounting abuses came after a string of companies announced that the profits they previously reported were wrong.

Among the companies where such announcements have led to large declines in stock prices are Cendant Corp., Sunbeam Corp., Livent Inc. and Oxford Health Plans Inc.

"We see greater evidence of these illusions or tricks," Mr. Levitt said this week. "We intend to step in now and turn around some of these practices."

Although he did not name any corporations, Mr. Levitt said his staff would immediately increase its scrutiny of companies that used certain aggressive accounting techniques to inflate their quarterly earnings and would soon issue new accounting rules and guidelines intended to halt the abuses.

He also called for a review of how U.S. public accounting firms audited financial statements, saying he feared that auditors might not be doing enough to find their clients' accounting shenanigans.

"We rely on auditors to put something like the Good Housekeeping Seal of Approval on the information investors receive," Mr.

Levitt said. "As I look at some of the failures today, I can't help but wonder if the staff in the trenches of the profession have the training and supervision they need to insure that audits are being done right."

The American Institute of Certified Public Accountants and several large accounting firms praised Mr. Levitt's plan, saying they shared his concerns and were eager to work with the commission on the issue.

Mr. Levitt said that the commission's enforcement division would focus on companies that used certain accounting methods that allow them to "manage earnings" so that profits could be increased or decreased in such a way that the bottom line did not reflect actual operations.

He said the commission was frustrated with companies that used a factory closing or a work-force reduction as an opportunity to take

millions of dollars of one-time charges for "restructuring."

By inflating those write-offs, companies get the bad news out of the way at once and can clear their balance sheets of expensive assets that would otherwise reduce the bottom line for years to come. For ex-

ample, Motorola Inc. announced recently that it would cut 15,000 jobs and take a restructuring charge of \$1.95 billion.

The commission has also been critical of companies that acquire other companies and then write off much of the purchase price by calling it "research and development."

For example, the commission blocked America Online Inc. from reporting its fourth-quarter earnings for nearly two months because of disagreements over how much the company should write off as a result of its acquisitions of Mirabilis Ltd. and Net Channel. America Online finally reached an agreement with the commission and published its results Monday, greatly scaling back the research write-off.

Mr. Levitt said other companies also were trying to bolster their earnings by manipulating revenue numbers.

For instance, many of the companies that have been required to restore earnings this year originally reported revenues that turned out to be fictional or included sales transactions that had not yet been completed.

To stop the accounting abuses, Mr. Levitt said the commission would write new accounting guidelines on the "dos and don'ts" of revenue recognition. The commission also will begin requiring detailed disclosures about how management estimates the value of various write-offs or reserves and other assumptions made in preparing financial statements.

Management Fight Puts Down Yacktman Funds

By Edward Wyatt

New York Times Service

NEW YORK — A fight for control of a formerly highly regarded mutual fund is brewing between its manager and independent directors. If the battle follows the pattern of several similar recent battles, shareholders could be the biggest losers.

Last week, Donald Yacktman, manager of two mutual funds that bear his name and have total assets of \$575 million, asked shareholders to vote out four of the six directors, saying they had pressed him to change his investment style.

In addition, Mr. Yacktman is asking shareholders to elect three new directors supported by him at a meeting Nov. 24. If shareholders do not, Mr. Yacktman has threatened to resign as portfolio manager.

In response, the independent directors voted to remove Mr. Yacktman as president of the funds, although his firm, Yacktman Asset

Management, remains under contract as portfolio manager. The directors also released a letter they had sent to Arthur Levitt, chairman of the Securities and Exchange Commission, outlining complaints they had made to Mr. Yacktman over the last year.

The directors wrote Mr. Levitt that they were concerned about an apparent change in the manager's investment technique, his use of derivatives, a possible employee violation of the fund's ethics code and management of the funds by individuals not identified in the prospectus.

The degree of distrust between Mr. Yacktman and the outside directors is apparent in the June dismissal of Jon Carlson, formerly an executive vice president of Yacktman Asset Management.

Mr. Carlson, who has remained a director, is now siding with the three other outside directors against his former employer.

The dispute resembles a confrontation last year between Louis Navelier, a portfolio manager, and the independent directors of a fund he managed. The independent directors dismissed Mr. Navelier as portfolio manager, but they failed to get enough shareholder support to award the management contract of the fund to the company they favored.

The independent directors resigned after losing a shareholder vote. Mr. Navelier returned as portfolio manager, and the shareholders elected a board of his choosing.

Investors who stayed with the Navelier fund through the turmoil were the ultimate losers, however, as many of their fellow investors withdrew their money and the fund's performance fell as the interim manager sold many stocks from the portfolio at depressed prices.

The Yacktman Fund, the larger of the two funds managed by Mr.

Yacktman, has similarly seen assets flood out, dropping from \$1.1 billion last Dec. 31 to \$541 million on Aug. 31 as the fund's performance has lagged that of the market and of its peers.

Through last week, the fund was down 12.3 percent this year and had lost 13.5 percent over the past 12 months. That compared with gains, including reinvested dividends, of 8.8 percent this year and 13.1 percent in the past 12 months for the Standard & Poor's 500-stock index. A second fund, the Yacktman Focused Fund, similarly lagged its peers.

Over much longer periods, however, Mr. Yacktman has performed well.

He was named portfolio manager of the year in 1991 by Morningstar Inc., the Chicago-based fund-tracking company, for his management of the Selected American Shares fund. He started the Yacktman Fund in 1992 and the Focused fund last year.

Advertisement

For information please contact:

Katy Houri: Fax (33-1) 441 43 82 12 or e-mail: funds@kt.com

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September 29, 1998

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112 MERRILL LYNCH BANK (SWITZERLAND) S.A. SWISS FUNDS	■ M&P Multi Hedge	SF	7.48
■ ALBES Subfund A USD	\$ 224.54	10.25	
■ ALBES Subfund B USD	\$ 224.54	10.25	
■ ALBES Fund A USD	\$ 224.54	10.25	
■ ALBES Fund B USD	\$ 224.54	10.25	
■ LUXE RESOURCE PORTFOLIO	\$ 12.95	10.15	
■ DMS Fund	\$ 12.95	10.15	
■ DMS Fund B USD	\$ 12.95	10.15	
■ DMS Fund C USD	\$ 12.95	10.15	
■ DMS Fund D USD	\$ 12.95	10.15	
■ DMS Fund E USD	\$ 12.95	10.15	
■ DMS Fund F USD	\$ 12.95	10.15	
■ DMS Fund G USD	\$ 12.95	10.15	
■ DMS Fund H USD	\$ 12.95	10.15	
■ DMS Fund I USD	\$ 12.95	10.15	
■ DMS Fund J USD	\$ 12.95	10.15	
■ DMS Fund K USD	\$ 12.95	10.15	
■ DMS Fund L USD	\$ 12.95	10.15	
■ DMS Fund M USD	\$ 12.95	10.15	
■ DMS Fund N USD	\$ 12.95	10.15	
■ DMS Fund O USD	\$ 12.95	10.15	
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■ DMS Fund GG USD	\$ 12.95	10.15	
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■ DMS Fund V USD	\$ 12.95	10.15	
■ DMS Fund VI USD	\$ 12.95	10.15	
■ DMS Fund VII USD	\$ 12.95	10.15	
■ DMS Fund VIII USD	\$ 12.95	10.15	
■ DMS Fund IX USD	\$ 12.95	10.15	
■ DMS Fund X USD	\$ 12.95	10.15	
■ DMS Fund XI USD	\$ 12.95	10.15	
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■ DMS Fund XXIV USD	\$ 12.95	10.15	
■ DMS Fund XXV USD	\$ 12.95	10.15	
■ DMS Fund XXVI USD	\$ 12.95	10.15	
■ DMS Fund XXVII USD	\$ 12.95	10.15	
■ DMS Fund XXVIII USD	\$ 12.95	10.15	
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■ DMS Fund XXXII USD	\$ 12.95	10.15	
■ DMS Fund XXXIII USD	\$ 12.95	10.15	
■ DMS Fund XXXIV USD	\$ 12.95	10.15	
■ DMS Fund XXXV USD	\$ 12.95	10.15	
■ DMS Fund XXXVI USD	\$ 12.95	10.15	
■ DMS Fund XXXVII USD	\$ 12.95	10.15	
■ DMS Fund XXXVIII USD	\$ 12.95	10.15	
■ DMS Fund XXXIX USD	\$ 12.95	10.15	
■ DMS Fund XXXX USD	\$ 12.95	10.15	
■ DMS Fund XXXI USD	\$ 12.95	10.15	
■ DMS Fund XXXII USD	\$ 12.95	10.15	
■ DMS Fund XXXIII USD	\$ 12.95	10.15	
■ DMS Fund XXXIV USD	\$ 12.95	10.15	
■ DMS Fund XXXV USD	\$ 12.95	10.15	

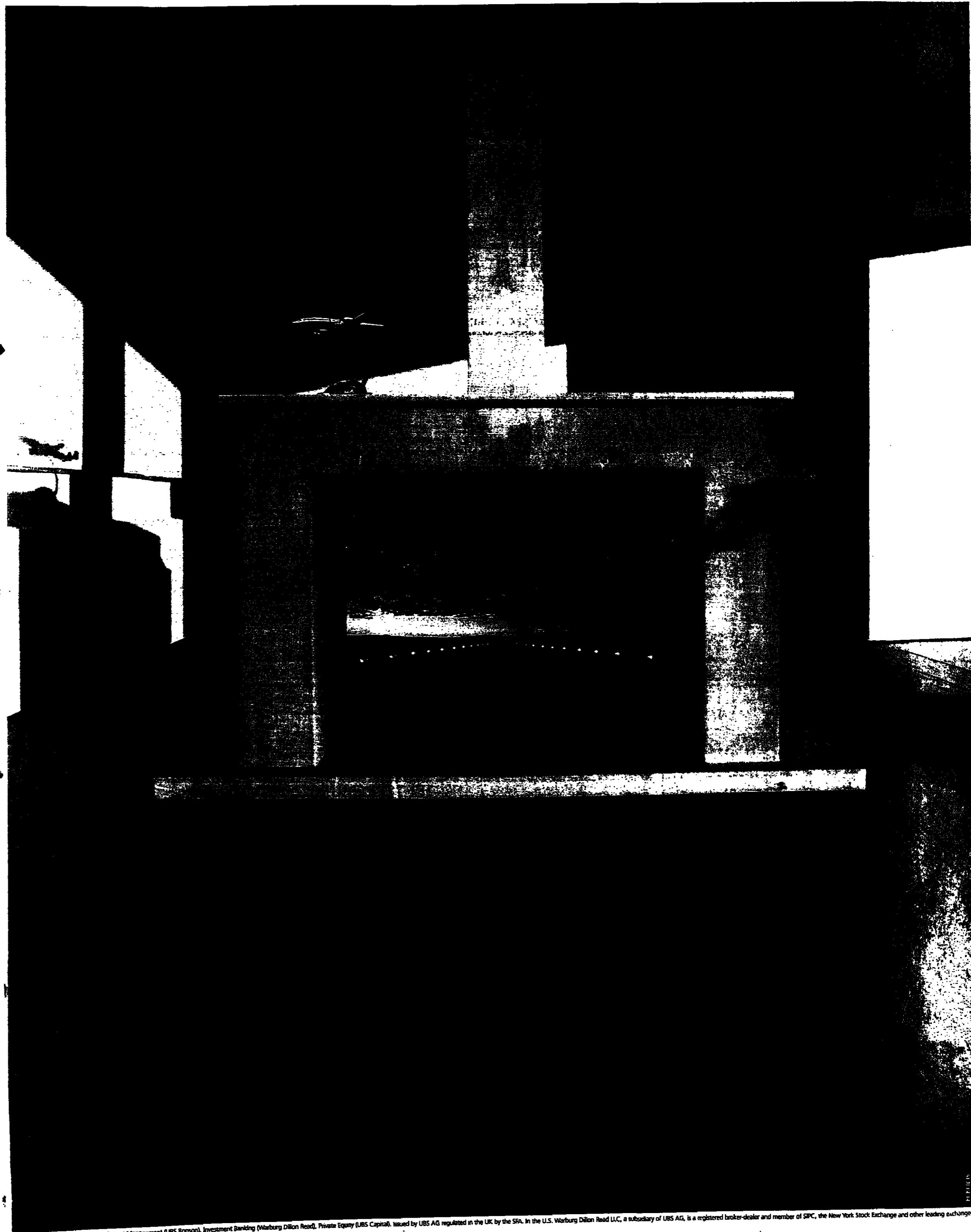
NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close
(Continued)

Well, why not? Why can't things be different? After all, nothing new could ever be created if someone didn't think of it first, and dreaming up those possibilities is every bit as fascinating as where they lead. If you expect your banker to look beyond the obvious, perhaps you should talk to us. You'll discover that we're not just any bank, but the right bank for you.  UBS



EUROPE

EMI Dogged by Rejection and MotherhoodBy Laura Board
Bloomberg News

LONDON — This has not been a good year for EMI Group PLC.

EMI, the world's fifth-largest music company, has seen sales in major markets slump, has lost a suit and faces the impending mothballing of half of its top-selling act, the Spice Girls.

EMI also failed to strike a chord with investors. Its shares have fallen 26 percent since the end of March, including a 5 percent drop after a profit warning Sept. 21 suggested its problems were worsening.

Investors have bid down EMI's value to £2.9 billion (\$4.95 billion) from the year's peak of £4.8 billion in April, when the company announced it was talking to suitors.

The buyer, reportedly Seagram Co., shunned it in favor of PolyGram NV. Analysts say EMI probably faces a solitary future until its shares drop further.

"There were lots of people that were supposedly interested," said

Nigel Reed, an analyst at Paribas Capital Markets. "Maybe they're still interested, but the outlook has changed quite dramatically. Things have declined even further in Asia. There's been a massive drop in South America. Without a bid, there's probably even more downside."

EMI derived a quarter of its sales last year from Britain and the same amount each from the rest of Europe and North America. It got almost one-fifth of its sales from the Asia-Pacific region, though just 3 percent of its profit.

The company said last week that a further deterioration in Southeast Asia and slumping Brazilian sales would cut operating profit by about 20 percent for the six months ending Wednesday. First-half sales in Asia, excluding Japan, will fall 15 percent, while Latin American sales will drop 6 percent. Only the United States performed better than expected in the first half. Sales there are expected to rise 9 percent.

Sales in Germany, France and Britain, Europe's three largest economies, were flat. Analysts said European sales might begin to fall as U.K. consumer spending slowed and in the absence of the hit albums from the likes of the Spice and the Spice Girls.

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Possible buyers for EMI appear to be retreating. Germany's Bertelsmann AG on Monday played down a report in *Daily Variety* that a management board member, Michael Dornemann, who also heads its music division, would be interested in EMI, though only at less than its current market price. EMI's shares fell 4 pence Tuesday to close at 371.

A Bertelsmann spokesman said Mr. Dornemann's comments had been "hypothetical."

A merger of the two companies would almost certainly pose regulatory problems anyway. The enlarged company would have about 40 percent of the German market and about a 37 percent share in Britain.

Last week's warning prompted analysts, including Angela Maxwell of Sutherland Ltd., to cut their earnings forecasts. Most expect sales this year to fall at least 5 percent from last year's £2.4 billion and profit to plunge to zero.

"I have radically downgraded my forecasts and was already at the bottom end," said Ms. Maxwell, who has a "sell" recommendation on the stock. "There's no clear bidder in the market for EMI with Seagram having taken out PolyGram. I don't think things are going to get better."

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were flat. Analysts said European sales might begin to fall as U.K. consumer spending slowed and in the absence of the hit albums from the likes of the Spice and the Spice Girls.

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Peugeot Plans Link With Ford

Reuters

PARIS — PSA Peugeot Citroen SA of France and Ford Motor Co. of the United States said Tuesday they would join forces to develop diesel engines as borders continued to crumble in the global auto industry.

The two partners will share development costs, estimated at 2 billion francs (\$355.9 million), for the small diesel engines.

It was the first time the independent-minded French producer had linked up with a non-European player, and it reflected the need for manufacturers to cut production costs in the highly competitive auto market.

"This is our response to the challenge of globalization," Jean-Martin Folz, the chairman of Peugeot Citroen, said at a news conference at the Paris Motor Show.

Although sales in Europe and the United States are strong, the crisis in emerging markets has sent a shiver through the industry, driving the question of consolidation to the top of the agenda. The purchase of Chrysler Corp. by Daimler-Benz AG announced this year has sparked speculation that other carmakers will have to merge or forge joint production ventures.

"I would say today anything is possible," John Smith, chairman and chief executive of General Motors Corp., said. "I think the Chrysler-Daimler merger in combination with the financial crisis has led to automakers all over the world taking a hard look at their own situation and seeing what they need to do."

THE INTERMARKET Starts on Page 4

MARKETS ARE ADVISING

INVESTMENT

Herald Tribune INTERNATIONAL SPORTS

WEDNESDAY, SEPTEMBER 30, 1998

WORLD ROUNDUP



Jonas Bjorkman rallying on Tuesday to defeat Tim Henman, 7-5, 6-4, in Munich.

Hingis on Track

TEENNIS Top-ranked Martina Hingis opened the women's era in the \$6.7 million Grand Slam Cup in Munich by beating Conchita Martínez, 6-2, 7-5, on Tuesday.

Eight women are participating in the lucrative event for the first time since the introduction of the tournament in 1990.

The tournament normally brings together players with the best records in the four Grand Slam events of the year—the Australian, French and U.S. Open and Wimbledon. But three men's Grand Slam champions of 1998—Pete Sampras, Patrick Rafter and Carlos Moya—are skipping the tournament. Only Peter Korda is among the 12 men here.

In the opening men's match, Jonas Bjorkman rallied from a 5-1 deficit in the opening set to beat Tim Henman, 7-5, 6-4. (AP)

Countdown for NBA

BASKETBALL Billy Hunter, director of the players union, has four days to renew the latest offer from owners as the NBA lockout is about to enter its fourth month. The latest proposals showed some movement on salaries but also included new issues not previously discussed during collective bargaining talks. With each passing day, the likelihood that the regular season will not start on time Nov. 3 increases. (AP)

A Middle-Aged Matchup

BOXING George Foreman and Larry Holmes can't throw punches like they used to, but they're still sharp with the verbal jabs. Foreman and Holmes joked Monday about turning 50 as they met in Houston's Astrodome to announce that they will face off in the ring for the first time in a 12-round fight Jan. 23.

"Usually, the doctors check a fighter's heart, but with Larry and me, they're just going to see if we have a pulse," Foreman said.

Their fight is the "Birthday Bash" in honor of Foreman's 50th birthday on Jan. 10. Holmes turns 49 on Nov. 3. (AP)

Million-Dollar Bauble

BASEBALL Mark McGwire's home chase is over, but collectors have resumed the scramble for McGwire's 70th home run ball. Meanwhile, the St. Louis fan who caught the ball, Philip Ozersky, is struggling between selling the ball and ensuring that it ends up in the Hall of Fame.

"You listen to the radio and hear people say, 'You're crazy if you don't sell it,' so I at least have to give it some thought," Ozersky said. "I'm not going to say I'm going to sell it."

A group of three memorabilia collectors reassured their \$1 million offer for sports' newest treasure. They also extended a 72-hour deadline for Ozersky to make his decision. (AP)

In Munich, a Long 60 Seconds**Manchester United and Bayern to Commemorate '58 Crash**

By Rob Hughes
International Herald Tribune

LONDON — Should Rupert Murdoch wish to appreciate the spiritual essence of Manchester United, the club he has agreed to spend \$1 billion to buy, he might spare a minute of his valuable time on Wednesday evening.

In Munich's Olympiastadion, and via the medium of television throughout more than 100 countries, we

EUROPEAN SOCCER

shall see the modern players of Manchester United and Bayern Munich bow their heads for 60 seconds before their Champions League match. Those 60 seconds will commemorate the United team that died, and the legend that was born, on a Munich airport runway 40 years ago.

It is one of fate's ironies that not until now have Bayern Munich and Manchester United met in competitive soccer. Not until Wednesday have these two clubs, giants of the postwar game, been drawn to the same playing field, even though the total of their contests in European tournaments amounts to more than 450 matches.

For that alone, Wednesday is a big UEFA night. The fact that business has never scheduled United another encounter in Munich is even more surprising. Yet it was there, in fog and snow beyond the runway of Munich's airport, that the plane carrying arguably Manchester's finest ever team crashed February 1958.

The nucleus of that team died when the aircraft crashed on take-off after a fuel stop on the way home from Belgrade.

Manchester United, already a name because of its rise from ashes following the bombing between Germany and England during World War II, was to attract global sympathy for the refusal of Matt Busby and the other survivors to quit.

With the help of Munich doctors and nurses, they embodied a worldwide symbol of the spirit of man, embodied in a simple, irresistible game.

If Murdoch's billion buys that club, that legacy, he will come to learn that this is anything but another business acquisition.

That said, no amount of sentiment will stop Bayern Munich from trying, and very likely succeeding, to put Manchester down once the minute of respect is over.

For the sport is now a business, Manchester United is a big scalp in that business and the likes of Lothar Matthäus, Stefan Effenberg and Giovane Elber are committed men when it comes to the politics of soccer.

BAYERN MUNICH and Manchester United are market leaders. They are in the vanguard of negotiations that will either squeeze vastly more profits out of UEFA or take up their ball and paradise their reputation with the attempted Super League of European clubs.

It is taken for granted that Munich and Manchester are trying everything at their command to win the Champions League—it is an embarrassment to each that neither has won the European Cup for 22 years.

These are not great teams, not on paper the equals of the defending champion Real Madrid nor the burgeoning talents individually within Internazionale nor the brooding, expectant Juventus.

In an off-season, Munich or Manchester could emerge triumphant, though for that to happen Bayern

would need to find more inspiration than just Elber, its Brazilian goal scorer, and United would have to show an altogether more sophisticated grasp of European tactics than has been its case.

Domestically, at least, Bayern has struck a convincing rhythm right from the start of Ottmar Hitzfeld's coaching regimen.

Six Bundesliga games played, six won, an average of three goals a game, a consistency enough. Yet in Europe a note of complacency—or was it weariness?—allowed Brondby, the unfancied Danes, to come from a goal down to beat Munich, 2-1, in the opening match of the group.

United's form has been the other way around. In the English League, despite or perhaps because of spending almost one third of its £246 million (\$145 million) annual turnover on three new players, Manchester has started the new term erratically.

Jasp Stam, Jesper Blomqvist and Dwight Yorke are quality recruits yet to add to the sum of United's renowned teamwork.

IN EUROPE, too, United flattered to deceive. To lead Barcelona by three goals before \$3,600 supporters and to finish 3-3 seemed like rank carelessness.

And when Arsenal, last season's champion of English soccer, smacked another three goals, without reply or reasonable excuse, against United in the next league match, the question of Manchester's defense appeared indefensible.

It was, moreover, a shock for Arsenal. Its own first outing in Europe, a 1-1 draw in Lens, suggested nothing more than tentative efficiency, and a string of five draws and one defeat, during which Arsenal scored just twice, is hardly rampant form.

Arsenal's guns, however, are primed for the big occasion and Wednesday is undoubtedly that.

Arsenal has hired Wembley Stadium for its home European games, doubling the crowd potential of its own Highbury arena. From that point of view, all's well, with upward of 60,000 having bought tickets in advance. A word of warning comes with the knowledge that 10,000 Greeks, fans of Panathinaikos, deem this to be their celebration, too.

So an atmosphere in the old stadium is assured. A six-figure sum from tickets is already banked. And Arsene Wenger, while content that his vastly experienced squad will relish the setting, paid cautious respect to Panathinaikos after its 2-1 victory over the highly rated Dynamo Kiev in Athens two weeks ago.

Panathinaikos has not played to anything remotely as big as the Wembley assembly, but Aljoša Asanović, the Croat who will captain the Athens team on Wednesday, vows: "Wembley is the biggest football theater in the world. We have to prove to we are good actors, and I am sure we will get a good result." Time will tell. It will take 90 minutes, though any game can be lost in a minute.

As to the omens? Bayern Munich fans will tell you their side has never lost a European match at home during Oktoberfest, and no Champions League game has ever been lost at Wembley. There has, until now, never been one, although European finals have been held there, including the 1971 European Cup. Ajax won it by two goals against an Athenian team called Panathinaikos.

Rob Hughes is chief sportswriter for *The Times of London*.



Hajduk Split's Jurica Vucko, center, trying to fend off Fiorentina's Gabriel Batistuta.

Aston Villa Moves to 2d Round

Reuters

Stan Collymore, under fire for his lack of form recently, bounced back with a hat trick Tuesday to secure Aston Villa a place in the second round of the UEFA Cup with a 3-0 victory over Norway's Stromsgodset.

The English league leader won, 6-2, on aggregate, erasing

UEFA CUP

a nightmare from the first leg when the Norwegians had been leading, 2-0, before Aston Villa scored three goals in the dying minutes to win, 3-2.

Collymore knocked in his first goal with a curling shot in the 10th minute and made it two in the 23rd against a more dispirited Norwegian team. He scored his third in the 64th minute, tapping in a

cross from Leandro. (UPI)

Slavia Prague 1, Schalke 0

Germany's Schalke, the UEFA Cup winner two seasons ago, crashed out of this year's competition Tuesday after a pen-

alty shoot-out against Slavia Prague of the Czech Republic.

Slavia, 1-0 down after the first leg, quickly made up the deficit when Richard Dostalek fired home a powerful half-volley in the 17th minute. A Schalke defender failed to clear a shot from Vladimír Labant, allowing Dostalek to score.

Five minutes later the visitors were reduced to 10 men when Simao, a forward, was ejected and the match started to swing Bologna's way.

Carlo Nervo steadied Bologna nerves with an equalizer in the 78th minute, meeting a crossing pass from Eriberto with a firm right-foot strike.

Giuseppe Signori then completed a 4-1 aggregate victory in injury time with a penalty.

Fiorentina 0, Hajduk Split 0

Tight defending helped Fiorentina into the second round of the UEFA Cup at a draw when they managed a goalless draw at Hajduk Split.

Fiorentina, which won the first leg played in Bari, 2-1, made few attempts to threaten Hajduk's goal. But they kept their cool in the face of an offensive mounted by Hajduk team in the first half.

Also on Tuesday night, Marcellino steered Sigma Olomouc of the Czech Republic, 4-0, and won on a 6-2 aggregate score.

Detroit Rookies Shine in Victory Over Tampa

The Associated Press

PONTIAC, Michigan — It was a big night for Detroit's rookies, and the Lions got their first victory of the National Football League season.

Terry Fair, a rookie defensive back, returned a kickoff 105 yards for a touchdown, and a rookie quarterback, Charlie Batch, scored on a sneak as the Lions beat the Tampa Bay Buccaneers, 27-6, on Monday night.

Fair's kickoff return, which broke the game open in the fourth quarter, was the longest touch-down in the Lions' history.

Batch, in his second start, completed 14 of 23 passes, for 115 yards, and scored on a one-yard sneak in the third quarter. He also rushed for 39 yards on eight carries.

The Lions won for the first time in four games.

"I thought Batch did a heck of a job," said the Lions' coach, Bobby Ross. "His creativity helped us."

Batch's total offense was 154 yards. Tampa Bay's team total was 133.

"That is hard to do in this league," Ross said of the Bucs' total, adding that the Lions put constant pressure on Trent Dilfer, Tampa's quarterback, through the whole game. "That really helped our coverage," he said.

Bryant Westbrook scored on a 34-yard interception return, and Jason Hanson, who had to assume duties when John Jett was injured, kicked field goals of 27 and 25 yards for the Lions.

Michael Husted kicked field goals of 43 and 47 yards for the Bucs (1-3), whose playoff hopes might also be in jeopardy because Green Bay and Minnesota, both 4-0, also are in the NFC Central.

Barry Sanders, with his second 100-yard game of the season, rushed for 131 yards on 27 carries and had 23 yards receiving.

Dilfer was 12-of-30 for 120 yards with one interception—his first of the season—for the Bucs.

In addition to playing well, the Lions had luck on their side.

With 1:42 left in the third quarter, Dilfer hit Karl Williams in the end zone with a 24-yard touchdown pass that would have closed the gap to 20-10. But the play was waved off by a delay penalty.

Robert Porcher broke in to sack Dilfer on the next play, and the Bucs punted.

With 10:44 left in the fourth quarter, Dilfer hit Dave Moore for

another apparent touchdown, but Dilfer was flagged for being beyond the line of scrimmage when he threw the ball. The Bucs settled for Husted's second field goal.

But Fair, whose muffed punt set up the Bucs' score, made up for it in a hurry by returning the ensuing kickoff for 27 yards.

"That kickoff return was a nice one," Ross said. "It kind of put the game away for us."

Bach, as he did in his debut at Minnesota, moved the Lions fairly well in the first half, keeping the Bucs off balance with his scrambling.

"Sometimes he can make things happen on his own," Ross said.

"He did that a time or two, and that is part of what we like about him."

Bach couldn't get Detroit into the end zone, so the Lions had to settle for a pair of field goals and a 6-3 half-time lead, largely because the slow-starting Bucs had only 85 yards at that point, compared with 170 for Detroit.

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OBSERVER

A Bite of the Big Apple

By Russell Baker

NEW YORK — I spent four days in New York City. It was swell.

Except for the restaurant prices, I'd planned to stay five days in New York, but after the fourth day, restaurant eating had already cost me \$3,792.87.

That was without wine. By leaving wine alone, you can save \$800 to \$900 per meal in New York.

Ask for water, but don't let them bring you that bottled imported water all the restaurants push.

That costs \$200 to \$300 per bottle, depending on where the water is imported from, whether it was bottled in a vintage year and whether the bottle has an advanced degree in hydrology.

Stay with tap water. Most restaurants charge only \$10 a glass with one free refill.

□

My first day in town the president showed up.

I once went to a college commencement where a U.S. president showed up. Cops everywhere, traffic detoured all the way out to Chaos Township. And that was a small New England town.

Imagine what a president can do to New York. With Clinton this week it was King Kong without Fay Wray, the San Francisco earthquake without Jeanette MacDonald, Iwo Jima without John Wayne.

All right, that's hyperbole, and I don't want to sound cross with the president. He's got enough people cross at him already.

Not many in New York, though. New Yorkers must have a deep working knowledge of sin, because those I

talked to spoke kindly of the president and agreed with the New Testament about the moral qualification required for throwers of the first stone.

This probably shows I was meeting only the most despicable class of New Yorkers: to wit, liberals. Worse, New York liberals.

□

Where was I ... ? The United Nations, that's where. Some big fuss was on over there, which brought several dozen alien statesmen to town, and they had to have VIP treatment, just like Clinton.

Gigantic cars, sirens, flashing lights, sinister-looking escorts. Streets that carry a million car per hour were closed to traffic.

It was exhilarating to walk rapidly through midtown admiring the security. The reason I walked was that nothing motorized was able to move for days.

The reason I walked rapidly was that New Yorkers who don't walk rapidly can be run down and badly dented by other walkers, all of whom walk at a speed of 22 miles per hour.

Maybe they walk so fast because it makes them feel they're going to do something important, whereas slowing down might give them time to wonder about the pointlessness of things.

It's generally supposed that periods of intolerable commotion leave New Yorkers exhilarated.

I used to feel that way myself sometimes during my dozen years of residence. Then I found I could no longer walk faster than 21 miles an hour, and I couldn't cut the New York mustard anymore.

Still, give me four days now and then, and it's swell.

New York Times Service

Aznavour at 74: Today, When He Is YoungBy Mike Zwerin
International Herald Tribune

PARIS — Charles Aznavour passed his medical checkup last week. Everything is better than O.K. — he's strong, confident, famous, rich and busy, and his voice, he says, is better than ever. Nothing really new about any of that, it wasn't really a surprise, he always feels good.

Still, adding it all up at the age of 74, it's nothing to take for granted. Even though he fully expects to live until the age of 120. Men from the Caucasus Mountains are known for living long lives. He's proud of his Armenian ancestry.

Most of all, he is happy to be able to continue to make music. He estimates that he has spent two thirds of his waking life thinking about, talking about, planning to make, making and/or listening to music. Quincy Jones once told him that he comes up with close to the same figure, the long stretches of time they both love to spend at the table eating and drinking well notwithstanding. Because music is prime table-talk, musicians their preferred company.

With his clean bill of health, Aznavour, who still sits down at his piano every day, can continue starring in three specials a year on French television. He will be able to continue working on his musical comedy based on the life of Toulouse-Lautrec. And in three weeks he will be opening on Broadway.

It will be his fourth Broadway run since 1963. "There's nothing like Broadway," he said. The alternative, a once-a-season one-nighter at Carnegie Hall, is not really all that distasteful, but there is nothing better for his chops and his soul (as well as his pocketbook) than Broadway. After 12 shows at the Marquis Theater starting Oct. 21, he moves on to limited engagements in Chicago and Los Angeles. Aznavour was named "entertainer of the century" (Elvis Presley came in second) in a recent Time magazine on-line poll.

Born in Paris of Armenian parents, Aznavour has begun to return to his homeland more and more often to lend his support since the collapse of the Soviet Union. The foundation Aznavour for Armenia was set up to help victims of the 1988 earthquake. Last September he was in the capital, Yerevan, to celebrate the fifth anniversary of Armenian autonomy.

With the foolhardy naivete that superstardom allows, he calls out for the merger of the three Caucasian republics, Armenia, Azerbaijan and Georgia: "It is ridiculous for us to be enemies. That's ancient history. Any territorial problem can be solved. We are people who live in the same climate, the same mountains, we eat the same, drink the same; the only difference is religion." And religion is not important because, "we all come from the same book."

Aznavour for Armenia has raised money for hospitals, the handicapped and orphans. Now it is financing the writing and production of post-Soviet Armenian-language textbooks.

He is proud of his inheritance, and that his children are able to speak accent-free American English. He and his family have spent what he calls two seasons in the United States — one in Brentwood, California, the other in Green-



Christian Keeler

Aznavour was named "entertainer of the century."

wich, Connecticut. He loves being well known and feeling at home in America. He likes the openness of Americans, the "if you're hungry go look in my refrigerator and help yourself" attitude. America is like another home as far as he's concerned.

Over and above the attraction he feels for all three of his sides, he is mostly proud to be French — proud that the world knows him as French. He was friendly with both Marcel Cerdan, the boxing champion, and Django Rein-

hardt, the French Gypsy guitarist and songwriter. He worked with Edith Piaf (his first show in New York was with Piaf) and he wrote songs for Maurice Chevalier.

Among his 30 hit songs, "Je Hais les Dimanches" ("I Hate Sundays") was a hit for Juliette Greco, who was hanging out with Jean-Paul Sartre and Boris Vian in the cave of Saint-Germain-des-Prés. He headlined shows in the Moulin Rouge and the Olympia. A journalist once observed that "France has been Aznavourized."

Screen credits include Francois Truffaut's "Shoot the Piano Player" and Volker Schlöndorff's "The Tin Drum," which won an Oscar for best foreign film in 1979. He's now considering another major film role. Age has nothing to do with anything.

"Hier Encore," a song he wrote about aging, was translated as "Yesterday When I Was Young." He recalled that he wrote his first song about being old when he was 18. He talks about age with youthful vigor. He estimates that he remembers the melodies of about 2,000 songs, and the lyrics for maybe 600 of them.

Leaning back, he began to demonstrate, singing: "Embrace me ..." Once he starts a lyric he may not be totally sure of, the rest will almost certainly come back to him: "... My sweet embrace you ..." he continued. Before you think of telling him that that one's a bit too easy, remember that in addition to all the American and French songs, he also performs Russian, Jewish ("My Yiddish Momme") and Gypsy ("Gitana Gitana") songs. Recently he was dining in a Hungarian restaurant and the band was "absolutely astonished that I knew absolutely every song they played." Then he added, with a sly smile: "Fortunately, I am not expected to learn the words for Hungarian songs."

Aznavour is absolutely certain that his vocal texture and phrasing have improved with age. "Of course it is evident that I am no longer 25 years old, but we do learn from experience. There are things we cannot do any more but we replace them with new things."

"I used to have a strained voice, I had trouble controlling it. Some people have made fun of my voice. I was considered an 'entertainer,' a man of the music hall, a variety singer. Today I can sing the classics. I sang an aria by Gounod with Pavarotti. I sang with Plácido Domingo. I sang one of my songs in due with Rostropovich. You learn from experience. You learn to discipline your life. I don't waste time any more. Never ever."

In 1974, he published his memoirs. Although people have suggested it, there will be no volume two. What happens after a happy-ending does not interest him: "I am interested in the construction of a man and of his career. After success, what is there left to say? You can tell about all the famous people you meet and how much you love all of them and how much all of them love you. And there are so many anecdotes, you can tell about your triumph in Berlin." But all of this is really not very interesting. After the fame and money arrive, there is no more drama.

With a meaningful grin, he pointed out that it is no coincidence that a stage act where singers sing their past hits night after night is called a "routine."

PEOPLE

A SMALL oil painting by the abstract pioneer Piet Mondrian has been stolen from the Zeeuws Museum in Middelburg, Netherlands. The museum bought the painting, titled "The Tree," for \$130,000 in 1994, said Ineke Spaander, the museum's director. Created by Mondrian between 1908 and 1909, before his modern masterpieces, the painting shows a black apple tree against a dark blue background.

□

The estate and memorial fund for Diana, Princess of Wales, lost a bid to bar the Franklin Mint from advertising or selling dolls, jewelry and other unauthorized memorabilia bearing her name and likeness. But the U.S. District Court in Los Angeles also refused a request by Franklin Mint lawyers to dismiss the case. "The case now proceeds to trial," said Mark Lee, the attorney for the memorial fund.

□

Being personally denounced by President Bill Clinton may not be bad for

business. Michael Isikoff of Newsweek has signed a six-figure deal with Random House's Crown imprint for an account of his role in the White House sex scandal. Isikoff was on the verge of breaking the

Monica Lewinsky story when his magazine held the article. He says the book "will tell a lot of the war between Clinton and his political enemies, but even more about the way reporters

grapple with the difficult issues of public conduct and private character."

□

As bike paths go, this one promises to be above average thanks to the radio host Garrison Keillor. Keillor is allowing a new \$1.5 million bicycle trail to be dubbed the Lake Wobegon Trail, named after his mythical hometown of Lake Wobegon, where everything is above average. Keillor, host of Minnesota Public Radio's "A Prairie Home Companion," was planning to attend the trail's opening Wednesday in the central Minnesota town of Albany, population 1,548.

□

The singer Bobby Brown reported to the Broward County Jail in Florida to begin serving a five-day sentence for a drunken driving conviction. The police said Brown was speeding when he lost control of a black Porsche in the 1996 accident. The authorities said his blood-alcohol level was 0.22 percent, nearly three times the legal limit. He also tested positive for cocaine and marijuana.



PREMIERE — The actor Cuba Gooding Jr., right, arriving with his father, Cuba Gooding Sr., at the Beverly Hills opening of "What Dreams May Come," a film in which he co-stars with Robin Williams.



(put on a happy face)

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